

**FINANCIAL BANKS
and
GOVERNANCE**
in the ASIA-PACIFIC REGION

**Edited by
John W. Langford and K. Lorne Brownsey**

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Think Tanks and Governance in the Asia-Pacific Region

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**edited by
John W. Langford
and
K. Lorne Brownsey**

**The Institute for Research on Public Policy
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Foreword

As McLuhan's global village becomes a reality, traditional borders and traditional notions of sovereignty collapse. Integration of more and more activities within a global market economy is accompanied by increasing flows of information and ideas across national boundaries and into domestic political arenas. At the same time, the search for a sense of community and a place to belong increasingly is directed toward ethnic identities, and nations fragment as citizens coalesce into more coherent sub-groups both for protection and for political leverage.

In this setting, the roles of governments at all levels, and the roles of individual citizens as well as non-government organizations and private corporations, shift rapidly. New interpretations of a social contract emerge and new political accommodations are sought. The effectiveness of governments comes to depend critically on the ability of policy-makers to reflect sufficiently the needs of multiple diverse stakeholders, and to absorb in some fashion an endless flow of information.

Mechanisms to promote cross-cultural understanding and to facilitate the participation of a growing array of non-state actors become prerequisites not just to assure that government policy can be implemented, but to ensure governments themselves some semblance of legitimacy and some chance for political survival.

Consultation, information exchange, and cooperative action are demanded in and among institutions ranging from local interest groups to supranational organizations. In all regions, the days of governing in splendid isolation from secure cabinet chambers in recognized capitals are gone; domestic considerations are required to be weighed in the context of views, causes and interests flowing in from outside, in a complex flood of commercial and philosophical contests. Roles, structures and processes of government evolve and mutate dramatically under the force of these surges.

Recognition of these developments, and the need to explore their implications, motivated the launching of this Institute's research workshop series on "The Changing Shape of Government in the Asia-Pacific Region" in Victoria in 1988, as well as the selection of the particular topic for the third workshop from which this volume has emerged. For Canada, the importance of understanding the social, economic, cultural and political developments taking place in the countries across the Pacific is evident. The Asian countries of the Pacific rim constitute a key engine in the growth and globalization of the world's economy, the primary source of our immigration and the most rapidly growing supply of financial resources for both Canadian enterprises and Canadian governments.

At the same time, Canadian policy-makers, like their counterparts worldwide, face a policy environment in which options increasingly are constrained on many fronts by many players. At the second workshop, held in Bangkok in 1989, a wide-ranging review of processes and structures shaping the formation of economic policy led to a suggestion that think tanks might play an important role linking the views and influences of various local, national and international players in the policy community. As conduits for the flow and diffusion of information into national political arenas from the outside world; as agents for identifying events and anticipating key policy issues; as sources of innovative and visionary prescriptions; and as vehicles for broader participation in political systems at all levels, the contribution of think tanks to the policy-making process is potentially significant. But is it real? And is it for good or ill?

In May 1990, representatives of think tanks from 13 Asia Pacific countries met in Kuala Lumpur to explore the relationships between globalization, governance and think tanks. From discussion at the workshop emerged recognition that, like the Asia-Pacific region itself, the roles of these think tanks in their respective societies are characterized by great diversity. Nevertheless, there seemed no doubt that think tanks, as an institutional variant in the policy-making process, will play increasingly important roles as global interdependence and demands for greater public participation in government decisions both grow.

In the new public policy architecture of the coming decades the think tank, both as an institution for democratizing the process and as a vehicle for improving the information flow, is apparently here to stay.

The IRPP is pleased to release this third volume of workshop papers. We are also pleased to acknowledge the assistance and support of Dr. Noordin Sopiee and his staff at the Institute for Strategic and International Studies (ISIS, Malaysia) in co-hosting this workshop, and the generous financial support provided to it by the Management for Change Program of the Canadian International Development Agency. We hope that by exploring the international transmission of ideas and the potential significance of policy institutes, this publication can make a useful contribution to strengthening trans-Pacific linkages, cooperative policy development and effective implementation.

l'autre, depuis celles qui ne représentent que des groupes d'intérêts locaux jusqu'aux organismes supranationaux. Partout dans le monde, les beaux jours sont révolus où il était possible de gouverner à partir de la splendide isolation des tours d'ivoire des ministères, dans des capitales reconnues de tous; les considérations domestiques doivent désormais être évaluées en fonction des opinions, des causes et des intérêts qui proviennent du monde extérieur, dans un flux complexe de défis commerciaux et idéologiques. Les rôles, les structures et les méthodes de gouvernement ne peuvent qu'être appelés à évoluer et à se transformer radicalement sous la poussée de tels remous.

La reconnaissance de ces nouveaux facteurs et le besoin d'en mieux explorer les conséquences sont à l'origine du lancement par l'Institut à Victoria, en 1988, d'une série d'ateliers de recherche sur «Les changements des formes de gouvernement dans la région de l'Asie du Pacifique», aussi bien que du choix du thème particulier du troisième atelier, dont les travaux font l'objet du présent volume. Pour le Canada, il est évident que la compréhension des changements sociaux, économiques, culturels et politiques, en cours dans les pays situés de l'autre côté du Pacifique, est de première importance. Les pays de l'Asie du Pacifique ont un rôle majeur à jouer dans la croissance et la globalisation de l'économie de la planète; ils constituent la source primaire de notre immigration et ils deviennent rapidement notre principal fournisseur en ressources financières, à la fois pour les entreprises et pour les gouvernements du Canada.

Par ailleurs, les responsables politiques canadiens, tout comme leurs homologues du monde entier, sont amenés à agir dans un contexte politique où les choix qui demeurent à leur disposition se voient, sur de nombreux fronts, de plus en plus limités par l'intervention d'un nombre considérable de participants. À l'occasion du second atelier, qui s'est tenu à Bangkok en 1989, un examen portant sur une vaste variété de méthodes et de structures, à l'oeuvre dans l'élaboration des politiques économiques, a abouti à la suggestion que des groupes de réflexion composés d'experts pourraient jouer un rôle important en assurant le rapprochement des points de vue et des influences des divers responsables locaux, nationaux et internationaux de la communauté politique. Le rôle de ces groupes de réflexion, dans l'élaboration des politiques, pourrait être significativement important: comme agents de transmission et de diffusion, au sein des différentes circonscriptions politiques nationales, de l'information venue du monde extérieur; comme spécialistes capables d'identifier les événements et de prévoir les problèmes politiques importants de l'avenir; comme concepteurs de solutions innovatrices et à longue échéance; comme intermédiaires susceptibles de favoriser la participation à tous les niveaux, dans les systèmes politiques. Mais ce rôle est-il réel? Engendrera-t-il le bien ou le mal?

En mai 1990, les représentants de groupes de réflexion appartenant à 13 pays de l'Asie du Pacifique se sont réunis à Kuala Lumpur afin d'examiner les relations qui existent entre la globalisation, la capacité de gouverner et les groupes de réflexion. De cette rencontre, il est ressorti que les rôles de ces groupes, dans les sociétés respectives auxquelles ils appartiennent, se caractérisaient par une grande diversité. Il semble toutefois n'y avoir aucun doute que ces organismes, en tant qu'ils constituent des variantes institutionnelles pour l'élaboration des politiques, ne soient appelés à exercer une influence de plus en plus importante, étant donné que l'interdépendance globale et la

Avant-propos

Au fur et à mesure que le village global de McLuhan se précise, l'effondrement des barrières entre pays et des notions traditionnelles de souveraineté s'accroît. Toutefois, alors que des activités de plus en plus nombreuses trouvent le moyen de s'intégrer à une économie de marché devenue internationale, ce phénomène suscite en retour des courants accrus d'information et d'idées, qui circulent sans tenir compte des frontières nationales et viennent enrichir les débats de politique interne. Par ailleurs, on observe que la recherche d'un esprit communautaire et d'un sentiment d'appartenance à un lieu spécifique s'effectue à partir des identités ethniques, et que les nations se fragmentent tandis que les citoyens ont tendance à se rassembler en sous-groupes plus homogènes, à la fois pour des raisons de sécurité et pour une question de rapport de forces au niveau politique.

Dans une telle conjoncture, il devient clair que les divers rôles joués par les gouvernements de tous niveaux et par les simples citoyens, de même que par les organisations gouvernementales et les corporations privées, évoluent rapidement. De nouvelles interprétations du contrat social se font jour, et il est nécessaire de procéder à des réajustements politiques inédits. L'efficacité des gouvernements en vient à dépendre, d'une façon cruciale, de la faculté qu'ont les législateurs de refléter, d'une manière suffisamment précise, les besoins des intéressés les plus divers, et d'assimiler raisonnablement bien les informations dont on les submerge.

Les mécanismes aptes à promouvoir la compréhension interculturelle et à favoriser la participation d'un nombre sans cesse croissant d'intervenants particuliers deviennent une condition préalable obligatoire, non seulement pour assurer la mise en oeuvre des politiques gouvernementales, mais aussi pour donner aux instances dirigeantes un air de légitimité et quelque chance de survie politique.

La consultation, l'échange de renseignements et la coopération sont devenus des activités indispensables, à la fois à l'intérieur des institutions et d'une institution à

ferme volonté du public de participer aux divers processus décisionnels gouvernementaux ne cessent de croître.

Dans le nouveau contexte général des prochaines décennies, le groupe de réflexion devrait donc avoir un rôle permanent à jouer, à la fois pour assurer la démocratisation du processus politique et aussi pour favoriser une meilleure circulation de l'information.

C'est avec plaisir que l'Institut assure la publication de ce troisième volume des travaux d'atelier, de même que nous sommes heureux de faire état de l'aide efficace que nous avons reçue du Dr Noordin Sopiee et de son équipe de l'Institut des études internationales et stratégiques (ISIS, Malaisie). L'ISIS patronnait l'atelier, en collaboration avec l'IRP. Nous aimerions également mentionner le généreux soutien financier qu'a bien voulu nous accorder l'Agence canadienne de développement international, dans le cadre de son Programme de gestion pour le changement. Nous espérons que cette publication, qui explore les questions touchant à la transmission internationale des idées et au rôle potentiel des instituts politiques, saura contribuer utilement au renforcement des liens transpacifiques, ainsi qu'à l'élaboration de politiques de coopération et à leur mise en oeuvre efficace.

Rod Dobell, Président

Mai 1991



Introduction

Think Tanks and Modern Governance

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The Institute for Research on Public Policy

The idea for a workshop on the role of think tanks in the governance process emerged from the widespread concern about the adequacy of traditional policy-making structures expressed at two previous meetings on governability in the Asia-Pacific region.¹ In these earlier discussions, "globalization" became a metaphor for the increased complexity of the policy-making environment faced by decision-makers in all of the Asia-Pacific nations. The concept of globalization served to focus more sharply the belief that modern governments are incapable on their own of marshalling the data, analysis and consensus required to come to grips effectively with the policy challenges which they face. Not surprisingly, in exchanges among representatives of several prominent Asia-Pacific policy research institutes, the notion that think tanks might be portrayed as part of the solution (rather than part of the problem), materialized as a proposition worthy of closer examination.

This examination takes a variety of forms in the papers which follow. These papers deal with the role of think tanks in 13 Asia-Pacific nations. Some are case studies, focusing on the activities of one or a small number of important think tanks in a particular country. Others try to come to grips with the collective impact of think tanks more generally on the governmental processes in one country. But all of the papers, and the discussion which earlier versions of them provoked at a three day meeting in Kuala Lumpur in May 1990, fix essentially on four questions:

- What forces and circumstances spawned the think tank phenomenon in the various Asia-Pacific societies being considered?
- What characteristics define a think tank?

- How effective are think tanks as participants in the policy-making process?
- How can think tanks enhance their capacity to contribute to the policy-making process?

The Emergence of Think Tanks

While the papers which follow do not make any effort to assemble definitive data on the growing popularity of think tanks in Asia-Pacific nations, there is no question that their numbers have increased dramatically in the last 25 years. What caused the think tank to become such a common phenomenon?

Some authors note that one factor is the "copy-cat" effect. They stress that the American experience, in particular, dictates that a "sophisticated," open governmental system is populated by a wide variety of policy research institutes. This effect would appear to have been prominent in the emergence of Japan's first wave of think tanks which peaked in the early 1970s. It also seems to have been reinforced in developing countries by the willingness of foreign aid donors to fund the establishment of think tanks as means of concentrating developmental expertise and providing a corporatist bridge between industry, the universities and government. Akin's description of the creation of the Thailand Development Research Institute is perhaps the ultimate expression of the acceptance by government and business of the aid donors' thesis that economic development requires western-style policy planning.

At the workshop, it was postulated that the emergence of think tanks is a natural reflection of developments in computer technology, where linked micro-computers show signs of being analytically more powerful than the concentration of computing power in one super-computer. A number of the papers in this volume point to shortcomings in the environment scanning, policy development and consensus building capacity of governments and major ministries as key factors in the emergence of many policy institutes. Think tanks are often the creations of the executive branches of governments (or even a small number of powerful figures within executive branches), frustrated by the inability of traditional bureaucracies and interest groups to put aside sectorally narrow, self-serving policies and develop innovative and integrative solutions to policy problems confronting the nation. In the Korean case, the most prominent policy institutes were actually established with the financial sponsorship of individual ministries. Almeida and Wong note that the birth of Malaysia's pre-eminent think tank, the Institute for Strategic and International Studies, was precipitated by the Cabinet's need for independent advice on the question of reducing the size and influence of the public sector. Similarly, the establishment of the Institute for Strategic and International Studies in Indonesia was supported by key figures in the government because of the weakness of the government bureaucracy in the areas of international affairs and strategic studies. In the case of China, there is the suggestion that the blossoming of institutes during the 1980s was a result of the recognition that the existing centralized state apparatus was not capable on

its own of providing the information required to make decisions about reconnecting China to the international economy.

The Chinese example suggests the possibility that the inadequacy of traditional governmental planning and policy-making structures is in large measure an outcome of the growing complexity of the policy agenda. The Canadian paper, for instance, argues that the globalization of issues such as trade, financial deregulation, tax reform, foreign investment, the environment and immigration have outstripped the policy-making capacity of governments and forced them to seek new mechanisms for analysis and consensus building. And in Papua New Guinea, Waiko notes that the National Research Institute has the daunting task of facilitating unity in a culturally diverse society entering a global community. The counter argument, however, appears in the New Zealand paper, in which Hawke maintains that governments have long been accustomed to making policy in a "global" context. In the case of New Zealand, it was not the policy agenda which stimulated the emergence of think tanks, but the movement of the policy process from a model based on negotiated compromises to one which emphasized the conflict of ideas and choices.

However, it is important to remember that policy institutes represent just one type of reaction to frustration with the existing machinery of government. Where think tanks were created (or brought to centre stage) by government support, one often finds evidence of other kinds of executive branch initiatives (for example, the use of task forces, commissions, polling and new networks of advisory and conflict mediation bodies), designed to assist the executive branch to clarify the emerging policy agenda, develop strategic solutions and gain the support of policy communities affected by changes in direction. Ian Marsh makes the point in his paper on Australian developments, that think tanks represent merely one facet of a broader effort to create a "new public policy architecture."

Not all think tanks owe their existence or prominence to government initiatives, however; private corporations too have supported the development of many think tanks, underscoring the significance of ideological conflict as a factor in their emergence. In recent years, the private sector has turned to policy institutes as a means of analyzing, legitimizing and disseminating a conservative agenda and a variety of related policy options. In Hong Kong, for example, Tang suggests that escalating governance challenges and declining private sector confidence in the ability of government to respond to them, have led to the very recent formation of private think tanks as a means of attempting to ensure that the primacy of the business voice in the policy community is maintained. But not all private sector think tanks can be traced to ideological concerns. In Japan, what Ouchi refers to as a "second think tank boom" is focused not on public policy, but on "studies of market structure as it impacts corporate strategy, and future prospects for lifestyle and culture."

What is a Think Tank?

Ouchi's "second boom" raises an issue which dogs all discussions of think tanks. If we are going to include organizations which do not do research on public policy among the ranks of think tanks—thereby setting the term "think tank" adrift from the term "policy institute"—has the concept of a think tank become too elastic to be useful?

The fact is that even if we limit our discussion to think tanks with a public policy focus, it is still extremely difficult to define what a think tank is. The papers which follow describe a full spectrum of organizations which pretend to the title of think tank or policy institute: from in-house governmental research bodies; to private sector organizations, sponsored and totally or largely funded by government; to totally autonomous organizations with no continuing support by government. And this spectrum only focuses attention on the variable of distance from government control or government funding. Think tanks can also be easily differentiated by role. Some think tanks focus exclusively on policy analysis, while others don't do much analysis at all. Some that do analysis, do little to put their findings into the hands of policy-makers; others see the marketing or dissemination of their ideas as a major activity. Some appear to be little more than glorified consulting firms, hot-houses for ideological posturing, lobby organizations for special interests, or rest stops for out-of-favour politicians.

In a briefing note written for IRPP prior to the Kuala Lumpur workshop, Evert Lindquist argued that there can be no one "ideal" think tank.

Think tanks vary considerably in size, structure, financing, operation, and objectives. . . . Indeed, when this diversity is contemplated, it is not difficult to imagine a host of other organizations that undertake many of the same activities: interest groups and associations, consultants, and companies that specialize in arranging conferences. If this is correct, it raises an important issue: is it not the case that the term "think tank" is an empty concept?²

This issue generated substantial discussion at the Kuala Lumpur meeting. It was recognized that if there was no boundary whatsoever placed around the concept of a think tank, then attempts to determine what role this organizational form could play in an overloaded governance process, besieged by globalization, would likely founder. In fact, some harmony was achieved on the features that a think tank had to possess to be in a position to make a contribution to modern governance. But such agreement was far from definitive and did not override the view that the term could still embrace a wide variety of organizations.

On the most obvious level, it was widely agreed that for the purposes of our inquiry, a comparative study of think tanks and governance, a think tank had to be focused on public policy. This filter embraces a wide group of research institutes, academic centres and government advisory councils; but screens out organizations that provide research and advice to private sector clients on issues with no direct public policy relevance. A number of Japan's "second boom" think tanks would not, therefore, make the cut.

Some spirited discussion took place on the admissibility of research organizations that focused on public policy, but were, in fact, resident within government bureaucracies. In terminology contributed by Lindquist, such organizations are involved

in policy inquiry (which he defines as "the full range of information generation, publication, and convocation activities conducted with an aspiration of relevance") but that inquiry is private in character, "undertaken within the bounds of the client-analyst relationship," and "not released immediately for public consumption."³ While such organizations are not think tanks from Lindquist's perspective, Marsh seemed happy to include them in the think tank family if their research output is in the public domain. Clearly, in countries such as China and Singapore, excluding research institutes within government from the think tank category (regardless of how widely their research findings are distributed) would thin the ranks considerably.

Other contributors seemed less convinced of the wisdom of embracing government research organizations as think tanks. Their resistance flowed not merely from the fact of the location of the policy institute inside government, but because such a position does not—in many instances—allow the think tank the latitude either to create its own research agenda or freely explore the items on that agenda. This problem also plagues think tanks which are formally separate from the state apparatus, but largely dependent on government funding or contracts to support a research program. In general, the group placed a high premium on the ability of the think tank both to chart its own course and to explore emerging policy problems unfettered by the restrictions that one would normally associate with a governmental unit. The reason for this position is simple: government-sponsored units that engage in "brainwashing" or the explanation and dissemination of government thinking and policies would be expected to stand little chance of enhancing that government's capacity to cope with the challenges of globalization.

However, warning flags were raised about the tendency to attach too much importance to superficial characteristics when creating boundaries or typologies. It was noted that some think tanks which appeared structurally independent of government choose to shackle themselves to government-created research agendas and policy goals to ensure their continued "relevance" and access to policy-makers or, for that matter, research revenue. On the other hand, some research organizations embedded in government manage to create counter-establishment information and recommendations on difficult emerging issues which have a radical impact on the course of policy debates. Evidence from the Asia-Pacific region suggests that reliance on the actual organizational location of a think tank as an accurate indicator of freedom of inquiry may be appropriate in some societies, and less in others.

Related to the discussions of location and funding, there was also considerable debate at the workshop around the issue of dissemination. As noted above, Marsh's boundaries encompassed government think tanks as long as their findings and recommendations were made available to the public in a timely fashion. This criterion is a common preoccupation in societies where a high premium is placed on openness and public participation. In this context, the thesis is that think tanks can help to modulate the growing ferocity of the competition within policy communities by making available to all citizens (whether organized into groups or acting individually), information and policy options which do not flow from a narrow, self-interested view of the public interest. In the New Zealand context, this is referred to as the "bridge building" role.

While dissemination of output as a defining feature of think tanks seemed to be popular among a wide spectrum of participants, there were strong hints of dissension. Even the New Zealand paper suggests that private advocacy of a particular position to policy makers is a more common—and a perfectly acceptable—role for think tanks. Research institutes in Japan, Korea, the Philippines, Malaysia, Singapore and Papua New Guinea seem, on balance, to attach more importance to privately or discreetly briefing policy-makers than to disseminating their findings to the public.

Other possible approaches to the problem of defining what a think tank is did not provoke much interest. For example, there was no concern about whether or not a think tank was a profit-making or non-profit organization, except where it was suggested that the fixation with the bottom line would negatively affect the institute's willingness to address difficult, emerging policy issues, reducing it to an "information factory." Similarly, it was recognized that an explicit ideological posture, political orientation, or value mission would likely narrow the range of policy options explored by a think tank and might make it more difficult to distinguish a policy institute from a pressure group. This, however, was seen by most participants to raise important issues of effectiveness and credibility, rather than a problem of definition.

Making Think Tanks Work

It is to the issue of effectiveness that we now turn. Obviously, this is a difficult question about which to generalize given the wide variety of think tank structures and roles, and the diversity of the political and socio-economic environments in which they operate. Nevertheless, some interesting ideas and commonalities can be drawn from the workshop discussions and the following papers.

Probably the most important question that any think tank must confront is whether it is reaching its target audience. Measuring effectiveness in this sense can be tricky. For most think tanks, the ultimate target audience is a small group of decision-makers in the executive and legislative branches—the decision community—who are actually building policy agendas and making policy. In an emerging policy situation, the landscape is littered with insiders and outsiders pushing competitive positions and ideas. How is it possible to tell if the policy analysis or agenda proposed by one outside actor is influential? This problem is compounded in situations where the think tank is staffed by academic or private sector analysts who have access to little feedback from the government insiders who are actually making the decisions. How do you discover what insiders would find relevant in the first place? How do you find out later if you hit the target?

One tendency, noted by several workshop participants, is to develop "proxy" measures of effectiveness. The most common is media exposure. Think tank leaders can easily become fixated—and some argue, sidetracked—by the amount of attention their analysts and their ideas receive on the op-ed pages of the newspapers and public affairs programs on television. Alternatively, the sales figures for a published report might be used as a proxy measure, using the argument that if large numbers of interested citizens

request a report, its message is more likely to come to the attention of the decision-makers. The same logic can be applied to the attendance figures for a conference or workshop. The proximate target of all of these "exposure" proxies is that elusive commodity, public opinion. Unfortunately, while such measures may help to demonstrate that the policy inquiry in which the organization is involved is deemed to be pertinent by the media and some members of the public, they really do little to demonstrate that the ultimate target audience is paying attention or being influenced.

Admitting the difficulties associated with ascertaining effectiveness, the participants—both in their papers and the workshop discussion—still put forward a number of strategies for maximizing it. These strategies focus primarily on leadership, the organization of the research effort, and the design and marketing of the "product."

Leadership

A number of participants trace the success which think tanks have enjoyed largely to the status of their top leaders. This model portrays one or two individuals (such as the president/director or the chair of the board), as the major catalysts, key fund raisers and sole sources of access to the decision community. It leaves little room for the significance of management teams, boards of directors or advisory councils.

In some cases, there is direct overlap between the think tank leadership positions and the leadership of the target government organizations. In the case of the Philippines Institute for Development Studies, for instance, the chair of the board of trustees is also the director-general of the National Economic Development Authority, and the president has "simultaneously held a key NEDA position." Similarly, for a long period of time, the chair of the Thailand Development Research Institute's board of trustees was also the head of the National Economic and Social Development Board. Hadi Soesastro provides a parallel account of the emergence of the Centre of Strategic and International Studies as Indonesia's premier think tank under the patronage of two key actors in the Suharto government. This sort of relationship or overlap is crucial in societies in which a great deal of emphasis is placed on personal connections, for as Akin puts it about Thailand: "the existence and fate of the institution depends on its head." Neither is leadership connections an insignificant factor in societies which purport to organize their decision-making structures on a more impersonal basis. Hawke notes that the personal connections to the decision community of the heads of New Zealand's think tanks are more important in influencing policy change than the efforts of the think tanks to move public opinion.

Managing the Research Effort

Some argue, however, that the importance of leadership has been overstated. While recognizing that behind-the-scenes personal connections between think tank leaders and policy-makers can be important, they make the point that the think tank leader has to have something significant to say. They are preoccupied, by contrast, with the problem of organizing a think tank so that its products can effectively compete with those of far larger, well-staffed, and better funded planning organizations that are formally plugged into the decision community. This preoccupation is bound to be extremely significant to think tanks located on the periphery (in academic institutions, for instance). But it can be found as well in think tanks within government, as they are often "marginalized" operations by comparison with the policy analysis groups that are part of the mainstream decision-making process.

One major factor in the success or failure of a think tank is the management of its research effort. Contributors to this volume have paid considerable attention to the options and problems facing think tanks as they try to establish their research priorities and put together good research teams. Should think tanks collude and divide up the research turf, or should they compete head-to-head? Who should be involved in the consultative and brainstorming processes required to establish a research agenda? How do you hold a think tank to its agenda and avoid "mandate creep" in the face of a rapidly changing socio-economic environment or the blandishments of a new funding source? Should a think tank build internal research groups or contract the research to outside individuals and teams? What role should academics play in a research program? These are but a few of the concerns facing those managing the research activities of think tanks.

Predictably, with participants drawn from a wide variety of political environments, there is little consensus on a set of strategies for managing research that would have universal application. Some participants argue strongly for an agenda setting process that is closely tuned to the short-term needs of the government. Others insist on the wisdom of dropping from the think tank's research agenda issues which the traditional bureaucratic planning bodies have begun to take up. The former are more inclined to an organizational structure which locates the think tank's agenda setting and research activities in the capital, close to the government. The latter are more likely to recommend creating some geographical distance between the research arm of the think tank and the decision community.

Underlying this argument is a more basic clash between the advocates of "vision" and the advocates of "relevance." The visionary school—eschewing competition with interest groups—suggests that think tanks should focus on the longer-term future and develop a research program around large-scale themes (for example, sustainable development, the global economy, communications technology), which are likely to affect a wide spectrum of future social and economic policies. The relevance school, on the other hand, calls for a focus on the problems confronting the government in the more immediate future. It would tend to shy away from issues and themes which the government seemed reluctant to take up.

This division extends to strategies for constructing research teams. Those with a more visionary bent are more sanguine about the use of academics—despite the tendency of academics to refocus projects to accommodate research goals related to their university career needs. Those wanting to tie the research agenda more overtly to the issues presently facing the government seem more inclined to draw their research staff from the ranks of the bureaucracy and organizations working closely with government. The latter course tends to enhance the "back channel" flow of government data to the think tank. It can also tie the think tank's research effort to individuals who are all of a sudden "outside the loop" because of a change of government or the departure of key supporters from bureaucratic posts.

Marketing the Research Output

One can even see signs of the "relevance-vision" dichotomy in the approaches adopted by think tanks towards the marketing of their products. It was argued at the workshop that future-oriented think tanks often produce lengthy, unreadable reports that are generally poorly distributed and end up languishing in a warehouse. Those policy institutes with products relevant to ongoing policy debates sometimes—although by no means always—disseminate their analysis in short, attractive formats designed to capture the attention of the busy politician or senior bureaucrat.

If appropriate, the gist of the research and policy recommendations may be packaged in a variety of different ways to appeal to the media and the public. Liguton speaks of "laymanizing" the output of the Philippines Institute of Development Studies, in order to make it more accessible to busy policy-makers. Others talked at the workshop of managing the decision community and the media, creating "political drama" to focus attention on their recommendations. Instead of holding the predictable conference or workshop to "showcase" findings, there was discussion of more radical techniques for getting the message out, such as leaks of information, staged events involving supportive politicians earnestly listening to the think tank's dire forecasts. Overall, the sense of the discussion and the papers is that think tanks—whatever their agenda—do not do a very good job of marketing their findings and recommendations.

Few of the think tanks discussed in the following pages fit nicely into one or the other of the above models of agenda setting and research management. In some societies, the political environment virtually dictates the approach that a think tank must take when going about its business. In others, there is considerably more latitude. But, overall, there seems to be some consensus that think tanks cannot survive and prosper through well-connected leadership alone. Ideas—the products being produced—and their presentation are important factors in the struggle to create an effective impact on the policy-making process. In virtually all of the jurisdictions represented, the management of research and its marketing present difficult challenges to think tanks.

Where Do Think Tanks Go from Here?

Despite evidence of individual success stories, there was little sense among the participants at the workshop and contributors to this volume that think tanks have made a substantial contribution to modern governance, at least to date. At the same time, there is a widely shared belief that governments in the Asia-Pacific region would have to make substantial changes in their public-policy "architecture" in order to cope with the increased complexity of the policy-making environments which they face. As we noted at the outset, the ultimate question facing think tanks then was the role that they might play in this new architecture.

Some participants express optimism about the prospects for think tanks. Hawke, for instance, argues that their capacity to provide a forum for broader public-interest-oriented exchanges of ideas could prove to be a critical antidote to the destructive combat between single interest groups which characterizes so much public policy making today. Lindquist agrees, calling on think tanks to use "generalist" attributes and distance from the decision community to stimulate and irritate the policy-makers with "information and understandings not readily available to other individuals and organizations in the political system."⁴

Others are more sceptical about this role, wondering where the better information and ideas would come from, and how better ideas and a wider public interest focus could be expected to have much impact on the entrenched warfare of group politics. They speculate that embracing agenda items such as globalization might transform think tanks into minor appendages of the commercial intelligence gathering systems that many countries are putting in place to deal with emerging global trade battles.

A less gloomy globalization prognosis sees think tanks positioning themselves in such a way that they become the key support players in the growing network of supranational institutions which global economic interdependence is spawning. In this latter role, Noordin Sopiee noted that think tanks could play an important role in supporting such organizations as the Pacific Economic Cooperation Conference by establishing loose research networks to "bring reason to power at the regional level" and providing critical two-way interpretation between such regional or supranational bodies and national level institutions.

The papers and the discussion that spawned them feature an enormous number of issue areas related to globalization that think tanks might take on, including emerging problems of ethnic diversity, increasing pressures of regionalization on domestic political systems, and sustainable development. But the important question remains: what value can think tanks add to the substance and the process of the policy debates on such issues? What can think tanks do better than other participants in the policy process? To make an important contribution, think tanks are going to have to address their own particular internal deficiencies in the context of the specific political environment which they face. Unfortunately, none of the many initiatives which might be taken to enhance their effectiveness do much to alter the reality of political systems that remain fundamentally hostile to the notion of a knowledge based and led society. It is this reality which will continue to limit the role that think tanks can play in modern governance.

Notes

1. See John W. Langford and K. Lorne Brownsey (eds.), *The Changing Shape of Government in the Asia-Pacific Region*, (Halifax: IRPP, 1988); and John W. Langford and K. Lorne Brownsey, *Economic Policy-Making in the Asia-Pacific Region*, (Halifax: IRPP, 1990).
2. Evert A. Lindquist, "Asia-Pacific Think Tanks and the Globalization Challenge," Unpublished paper, Institute for Research on Public Policy, October, 1989.
3. Ibid., pp. 5-6.
4. Ibid., p. 9.



Malaysia

Globalization, Governance and Think Tanks: Malaysia's Experience Thus Far

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This paper is by two members of a Malaysian policy research organization about the role and effectiveness of such organizations in responding to globalization. As an insiders' account, it is obvious the views expressed are not entirely unconstrained, either with respect to the community as a whole or to its component parts. Since think tanks are new to the Malaysian landscape, little has been written about what they do or how they work, let alone their influence on domestic policy-making. However, assessing these internal aspects are critical if their present and future role is to be understood, and there are few alternatives to an insiders' analysis of the analysts.

Three perspective remarks are in order before proceeding. First, it is difficult to generalize about Malaysian think tanks when there are, by our count, only three such organizations and even these are not comparable in many respects. (For example, two are nationally-oriented and only one extends beyond the economic domain.) Second, all three think tanks are actively growing—suggesting that it is inappropriate to take a static picture of the subjects under study. The way research programs are initiated, conducted and managed is being constantly modified so that what is true today is unlikely to be so in the future. Third, policy research in Malaysia is highly personalized and one cannot speak about think tanks without referring to the few individuals in them. Two of the three organizations are still headed by their founding directors and bear strong imprints of their personality and influence.

The general conclusion of this paper is that Malaysian think tanks do help sensitize those in governance to the global environment. It is clear from their active conferencing and networking programs that international economic and political issues rank high as organizational priorities. More has to be done, however, to enrich policy content by

identifying, researching and communicating policy-oriented outputs. We believe these concerns will, to some degree, be taken into account as Malaysian think tanks move from simple to more complex systems. Nevertheless, basic systemic issues such as the conduct and management of research policy and internal capacity will remain. Against a backdrop of ever-widening sets of globalization and localization concerns, these issues constitute major challenges to think tanks in Malaysia.

Constellation and Overview

We have defined a think tank to be a non-profit organization having a primary interest in public policy research and which is active in seeking to influence the policy-making process.

By this criteria, the clearest and earliest case of a Malaysian think tank is the Institute of Strategic and International Studies (ISIS) Malaysia. Set up in December 1983 at the initiative of the Malaysian Cabinet, ISIS was given a mandate to conduct research in six broad areas: (1) international affairs; (2) defence and national security; (3) national and international economics; (4) nation-building and national unity; (5) science, technology and industry; and (6) energy and natural resources. It launched itself initially in the foreign affairs arena, but subsequently expanded its staff to make economics a more important area of research. ISIS has a staff of 66, of whom 30 are professionals.

The Malaysian Institute of Economic Research (MIER) was established two years later. As the name suggests, MIER has a more specialized mandate to examine economic issues. Although the idea for it came from the panel of economic advisors to the Prime Minister, MIER's main sponsors have been private businesses. In addition to economic policy research, the Institute places heavy emphasis on producing economic forecasts and business surveys. MIER has 17 personnel, nine of whom are professionals.

Both ISIS and MIER address national and international concerns in their respective areas and try to influence the climate of opinion at the centre of the policy-making process.

In contrast, the Institute of Development Studies (IDS) in Kota Kinabalu, Sabah, focuses on state and local issues. Established by the state government to be a source of advice on a broad range of economic, social and political concerns, IDS began life as the Institute for Public Policy Analysis (IPPA) in August 1985, before changing its name in April 1986. It is reported to have a staff of 20 professionals.

These three institutions most readily spring to mind whenever the term think tank is mentioned in Malaysia. This paper will, however, only attempt to comprehensively deal with the two nationally-oriented institutes—ISIS and MIER. IDS's work differs from the first two and should more fittingly be the subject of a different exercise.

Malaysian Think Tanks, 1989

	Staff (Professionals)	Annual Expenditure	Endowment Fund	Research Areas
ISIS (1983)	66 (30)	\$3.0 million	\$26.7 million	- International Affairs - Defence, Security & Foreign Policy - National & International Economics - Nation-building & National Unity - Science, Technology & Industry - Energy & Natural Resources
MIER (1985)	17 (9)	\$1.5 million	\$4.5 million	- Macro-economic Policy & Economic Forecasting - Agriculture & Industry - International Trade & Economic Relations - Money, Banking & Finance - Population, Labour & Manpower
IDS (1985)	64 (20)	\$3.5-\$4.0 million	None	- Politics & Government - Economic Development & Planning - Agriculture, Forestry & Tourism - Public Administration

Other institutions, such as university-based research centres, also have an interest in researching and influencing public policy and they deserve a brief mention.

Universiti Sains Malaysia's Centre for Policy Research (CPR) in Penang is a prime example of a university-based research centre whose mandate and work strongly resembles that of the think tanks identified above. Established in 1974 to allow the academic community to involve itself in applied, policy-oriented research and to interact with government agencies, CPR has undertaken domestic research on such issues as rural poverty, land usage and drug abuse.

Other university-based centres similar to CPR include the Centre for Agricultural Policies in Universiti Pertanian Malaysia, the Institute of Advanced Studies in Universiti Malaya and the Centre for Strategic Studies in Universiti Kebangsaan Malaysia.

We think that university-based research centres can be differentiated from think tanks and point to some of these distinctions as an interesting way of providing an overview.

First, and perhaps most important, is organizational orientation. By organizational orientation we do not wish to make the often-heard comment that academics are "theoretical" while those working in think tanks are "practical." Malaysian think tanks often use the research talent resident in universities in their applied research efforts, and to good effect. However, think tanks are under much more pressure to be current and prescriptive in their activities than is the case with universities. Think tanks which are unable to satisfy these expectations soon lose their *raison d'être* and effectiveness.

Second, a unique organizational culture appears to have evolved as a direct result of this prescriptive orientation. Research work is much more driven by, and staff rewarded for, perceptive analyses of relevant present and future issues, rather than meticulous research of the past. Identifying problems and advocating solutions amidst risks and uncertainty are central to the work at hand of Malaysian think tanks. A work culture that stresses informed opinions, or even best guesses, as an output, may require sacrificing what is widely accepted as a good academic tradition of answering questions with other questions. First-time entrants, even seasoned university scholars, can find this feature difficult to digest and receive it with less than total alacrity.

A third distinction has to do with organizational composition. Think tanks employ people of varied experience, discipline and qualifications. A prominent feature of practical problem-centred research is that multidisciplinary approaches are required. Unlike universities where past research (as demonstrated by, for example, a Ph.D. dissertation) is often a licence to conduct further research, this entry barrier is much less strictly applied in the case of think tanks. ISIS enlists first degree, as well as Ph.D. holders, in disciplines ranging from business administration to sociology. Past experience is normally given weight and ISIS hires former corporate executives, retired civil servants and ex-journalists. To fulfil its mandate, MIER hires a narrower band of technically qualified staff, although it too seems to accord priority to experience. Staff selection of this kind makes the way research is approached and conducted dissimilar from universities.

Fourth, Malaysian think tanks draw on both the expertise of resident staff and outsiders hired on a contract basis. All three organizations—ISIS, MIER and IDS—maintain a tripartite research associate network of academics, government officials and corporate executives, although the role networks play varies according to the availability of in-house resources. Far from being peripheral, these networks can be an integral part of think tanks' functioning and machinery. They offer them an ability to leverage existing resources by making available a wide range of skills and experience at little or no cost. Networks also start the task of consensus-building and acceptance at an early stage by involving decision-makers in the process of guiding the research. Finally, and most important, it is the way by which think tanks avoid the inbuilt tendency to be "closeted" from the outside world.

Fifth, think tanks use a wide range of media to communicate research products. With an eye towards reaching an audience comprising busy policy-makers and the general public, the publication efforts of ISIS, MIER and IDS have concentrated on brief, readable discussion papers rather than journal articles and monographs. ISIS staff are encouraged to write opinion pieces for large-circulation newspapers and to participate in conferences, seminars and workshops where interaction and feedback are possible.

Rationale, Role and Impact

Some of the people we interviewed for this paper have argued that the emergence of think tanks in Malaysia was inevitable given that such organizations had spread from the U.S. and Britain to Southeast Asia. Neighbouring think tanks may have had a demonstration effect, but this does not fully explain why the need for new institutions was felt. After all, think tanks in Malaysia were created despite a sizeable existing conglomerate of specialized government institutions and planning agencies. The latter proliferated as a result of the development planning system and the need to implement the substantive socio-economic goals of the New Economic Policy.

Think tanks were shaped by the new thinking in the country in the first half of the 1980s. The Mahathir Administration came into office in 1982 and not long after introduced a program of "radical" reforms. Among them are three which, we argue, directly influenced the thinking about think tanks. These are, a wider role for the private sector; the need for a smaller, more efficient civil service; and the additional need for a close working relationship between the private and public sectors (the concept of "Malaysia, Inc.").

The relationship between the private and public sectors was fundamentally re-defined in the mid-1980s as a growing worldwide trend towards deregulation and privatization took hold. Private business was to provide the economic dynamism while the state withdrew into a supporting role.

What is also apparent is that the Malaysian Cabinet saw the need for an independent source of second opinion, operating separately and distinctly from the government bureaucracy. Expectations were that these new-styled private institutions would stimulate and introduce fresh thinking within the policy-making establishment. Rightly or wrongly, many people had also come to see Data' Seri Dr Mahathir's early disposition towards government as one of scepticism and impatience with the civil service. As a result, the decision to create ISIS was taken by the Cabinet and implemented by the Prime Minister's Department.¹ MIER also received the strong backing of the government, although its prime mover was the Association of Banks, Malaysia.

Relationship with Governance

Questions have been asked about how private or independent these two organizations really are from the government. One can deductively say with reasonable certainty that the Malaysian government did not establish ISIS or encourage MIER's formation with the intention that the two work in conflict or at cross-purposes with it. On the other hand, it is quite apparent that the government did not wish to exercise control over think tank activities, an action which would have made them indistinguishable from sources of thought and opinion within the government. On balance, it is probably fair to state that the government desired a close working relationship between think tanks and itself; one

where it retained full autonomy over policy-making but had access to a wider range of policy inputs and options than would otherwise be possible.

Most research organizations anywhere, public or private, face questions of this sort. It has been pointed out that the more dependent a research enterprise is on its environment for support, the more it has to ensure that the sponsors benefit from the work undertaken.² Also, if access to information is controlled by the sponsors, the latter will control the kinds of investigations that can or cannot be carried out.

Structurally, ISIS and MIER are financed out of endowment funds to which the government was a large contributor. In the case of ISIS, a one-time contribution allowed it to be substantially self-reliant, with annual returns from its endowment fund targeted to support about 70 percent of the institute's yearly expenditures. Private and non-governmental grants make up the remainder.

MIER has been altogether less fortunate. It was conceived as an organization that would be primarily financed by private sector funds, the constituency that would benefit most directly from its activities. Although it received a M\$1 million grant from the government, its efforts to tap private donations from companies to build up the Institute's endowment fund stands at about M\$4.5 million, a sizeable shortfall from the target of M\$20 million. Financial constraints partly account for MIER's limited staff resources and continues to put a brake on expansion plans.

Although they operate outside the government machinery and civil service norms, ISIS and MIER are accountable to governing boards which comprise a mix of government and private individuals. In the case of ISIS, the Prime Minister appoints 11 of the 21 board of directors. In the case of MIER, the Secretary-General of the Ministry of Finance is on the board of governors. In this way, the two organizations are not outside the reach of government.

An "arms-length" relationship is, however, operational and the think tanks are given a wide berth to work without interference. Activities of the two institutes generally arise in three ways. First, there are the projects which are initiated entirely on their own account, either in "top-down" or "bottom-up" fashion. Second, the government occasionally taps the resources of these organizations by commissioning research or having them participate in the numerous conferences and meetings it organizes. Third, there are situations where the institutes' own research interests coincide with those of the government. For example, the two institutes' heads are members of the National Economic Consultative Council (NECC), established to determine the content of Malaysia's socio-economic policies after the expiry of the New Economic Policy in 1990. Both have committed organizational resources to work for the council. Alongside other groups, MIER and ISIS also participate regularly in the Ministry of Finance's yearly pre-budget dialogues.

Impact on Public Policy

Equally thorny are questions about the extent to which think tanks actually influence public policies. In some cases, restrictions on disclosure of information make it impossible to expose the degree to which think tanks have been successful in performing research which works its way into actual policy. But even in cases where such restrictions are not in effect, the answers are difficult to ascertain.

Think tanks in Malaysia function in a policy environment where, as Puthuchearry states: "Although the government is influenced by pressure groups and political claimants, it is the source of all policy innovations in the system."³ In addition to the political leadership, the government draws on a host of government planning and research organs in shaping policy. Think tanks may or may not be included as part of this policy formulation system. On new, difficult and non-routine matters which over-stretch resources within the government, think tanks often are roped in to contribute. Yet in other instances, major policy changes can be initiated entirely without their knowledge.

There is a view among some government agencies that ISIS and MIER have to become more regularly integrated into the policy-making process, the feeling being that think tanks' inputs are too *ad hoc*. It is our impression that these agencies either do not think that sufficient efforts are going into answering the kinds of questions they would like and/or the linkages between think tanks and themselves are too weak for their liking. Meetings and conferences are important devices to disseminate the results of research work, but they are often too diffuse to be helpful to decision-makers.

In some senses, these criticisms are justified and in others not. It is rarely the case that think tanks are better informed about a host of important policy issues than front-line bureaucrats who have the benefit of paying constant attention to, and having contact with, the subject matter. Their strength lies in their ability to investigate issues using fresh approaches in thinking.

Think tanks are, of course, expected to also generate their own policy inputs and to try to gain acceptance for them. As elsewhere, however, government institutions are prone to have territorial instincts, especially with regard to policies under their jurisdiction. Under prevailing socio-political norms, hard-sell tactics are also shunned. Instead of open pressure, therefore, think tanks try to be more private and inclusive in the belief that working behind the scenes is more effective. Antagonistic relations with the bureaucracy not only risks their being denied access to the information which they need, but also alienates the very constituency they are seeking to influence.

Responsiveness to Global Issues

The global challenges facing Malaysia in the 1980s have been varied and multifaceted, with strategic responses required on many fronts. In 1985, the country suffered the worst recession in the post-war period with problems of low commodity demand causing high unemployment, sluggish domestic investment and rising external debt. Fierce competition for foreign investment and protectionist noises in advanced countries, also

hammered home how rapidly the country had integrated into the world economy. Economic issues thus crowded research agendas, first as anti-recessionary strategies and later, as problems of slow growth were overcome, as pro-growth policies.

Key questions also emerged in the international relations sphere with the "new thinking" in the Soviet Union and Eastern Europe, the rapidly defrosting East-West relations, prospects of a Cambodian settlement, and integration of IndoChinese states into Southeast Asia all requiring deep strategic thinking. Freed from the time-consuming administrative tasks which so often bind the hands of government officials, think tanks have a rich array of opportunities to exploit.

Think tanks are informed about developments from abroad through a number of avenues. One of the most obvious is by means of the latest books, journals, magazines, newspapers and wire services from around the world. ISIS regularly surveys this literature and has a cutting service (dubbed *Watches*) on subjects ranging from direct foreign investment to recent developments in China, Japan, the Soviet Union and the United States. These quarterly *Watches* are distributed to a large number of government officials and corporate executives. On other occasions, extensive anthologies and background papers are compiled on specific topics such as economic cooperation in the Association of Southeast Asian Nations (ASEAN) and the European internal market completion program.

A second avenue is the large number of foreign visitors who come regularly to consult on developments in Malaysia and the region. These may include diplomats, government officials, officers from international organizations, corporate executives, security analysts and foreign investors. Both ISIS and MIER also try to take advantage of prominent visitors to the country to organize public lectures. In the former's case, the *ISIS World Affairs Lectures* and *TV Forums* are means of focusing on global issues and bringing them to the attention of a wider public audience. MIER-organized occasional seminars and informal "brown-bag" lunches are well attended occasions where global issues can be discussed.

Third, established networking activities enable think tanks to be sensitized to global trends and thinking. ISIS, for instance, has bilateral dialogues with 14 countries at least once every two years. A wide range of bilateral, regional and global issues are discussed in these dialogues. In addition, ISIS also meets with ASEAN counterparts once a year in an ASEAN institutes meeting. (Collectively, the ASEAN institutes form a network which is recognized by ASEAN governments as one of two non-governmental organizations, the other being the Asean Inter-Parliamentary Organization (AIPO)).

As the Malaysian representative to the Pacific Economic Cooperation Conference (PECC), ISIS has been fortunate in being at the forefront of the numerous regional activities which take place under PECC's ambit. These include conducting biannual reviews of the economic outlook for the Pacific region, discussion of macro-economic and structural issues, trade policy matters, agriculture, energy, minerals, science and technology, transport, tourism and telecommunications.

An important forum on security questions is the Asia-Pacific Roundtable. The roundtable gathers scholars, government officials and think tanks from around the region to exchange views on the general global and regional strategic environment and on specific regional issues.

"Diversity" and "multifunctionalism" are two keywords which go a long way in describing think tanks' activities. To gain a flavour of the types of work MIER and ISIS have been engaged in, a sampling of past activities is useful.

Although MIER concentrates research on domestic economic issues, regular assessments of the world economy are very much part and parcel of its work. Recognizing the demands for regional updates of national economic events, MIER has devoted substantial efforts towards an econometric model of the Malaysian economy. It is also one of the few independent bodies outside the government which routinely generates quarterly economic data on business expectations and consumer sentiment. Analysis and forecasts of world output growth, trade, currency and commodity markets are integral to its evaluations and therefore form an ongoing feature of MIER's work.

Every year, MIER convenes a National Outlook Conference where trends in the world economy are reviewed, together with national economic forecasts and structural adjustment issues. The forecasts are alternatives to those of the Treasury and Central Bank; two agencies constantly mindful of the impact their pronouncements have (especially if pessimistic) on business confidence and expectations.

Also on the domestic front, MIER examines a range of macro-economic issues. Its studies on tax reforms were the basis of a comprehensive reform proposal submitted to the government in the 1989 Budget, while its work on unemployment and the labour markets have laid out the impact of structural adjustment policies on employment.

On global issues, MIER was one of the earliest organizations to conduct extensive surveys of the country's trade policy options in the Uruguay Round of multilateral trade negotiations. Recently, it also made a direct input to the government on negotiating positions on the "new" issues in the round.

ISIS's work on global issues has been broader and more multifunctional given its specific international mandate. In 1986, it was heavily involved with the Malaysian government's efforts to impart fresh impetus to South-South cooperation. Working with the Third World Foundation, it organized the Second Summit of Third World Scholars and Statesmen in Kuala Lumpur, the principal result of which was the decision to form a 20-member South Commission to be chaired by the former president of Tanzania, Julius Nyerere. ISIS also participated in the steering committee that led to the Commission's formation and has subsequently provided inputs to it. In 1988, it organized a Colloquium on South-South Cooperation in Kuala Lumpur at the request of the South Commission and actively participated in it.

Also in 1986, the question of whether Malaysia should continue to be a member of the Commonwealth arose. The Prime Minister requested ISIS to study the costs and benefits of membership and called for a parallel study to be conducted by the Ministry of Foreign Affairs. Both reports concluded that Malaysia would better influence events by

staying a member of the Commonwealth. In 1989, the country hosted the Commonwealth Heads of Government Meeting.

In 1987, ISIS served as the technical secretariat to the Group of Fourteen (G-14) on ASEAN economic cooperation and integration. The G-14 was an initiative of the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) and was convened to recommend proposals to the Third Heads of Government Meeting in Manila later that year. As part of its work, ISIS organized the First ASEAN Economic Congress and sifted through the numerous proposals that were put to the G-14. It finally arrived at a set of proposals for the G-14's consideration. The report, entitled *ASEAN: The Way Forward*, was sent to the ASEAN-CCI for onward transmittal to the ASEAN Economic Ministers Meeting.

In 1989, ISIS and the European Institute of Public Administration (EIPA) collaborated to host, on behalf of the governments of ASEAN and the European Community, a seminar on the implications and responses to a European single market. Later that year, it organized a series of three, back-to-back conferences catering primarily to Southeast Asian countries, including the socialist countries of IndoChina and Myanmar (Burma).

Although conferences are an important element of both ISIS and MIER activities, the specific purposes of each conference differ considerably. In some cases, they form part of the institutes' research and communication work, while in others, they are part of the process of first discovery from which research issues can be thought out or new perspectives on current thinking gained. Lastly, conferences are also quick-response mechanisms to make sense of rapid global changes. Soon after their occurrence, ISIS held one-day seminars to examine the implications of the 1987 stockmarket crash and China's "June 4th" crisis.

Challenges and Future Directions

There are reasons to believe that Malaysian think tanks will not be able to afford "steady-state" organizational behaviour in the years ahead. The global events horizon which produced a steady stream of startling changes in the 1980s will pose ever more complex challenges to governance—most fundamentally in the way these issues are thought about.

Traditional distinctions between foreign policy and international economics have become merged. A spreading web of power-based bilateralism is now evident, despite efforts to maintain and strengthen rules-based multilateralism. Political and economic measures taken by small nations states to defend and advance national interests through global, regional and bilateral approaches are therefore as critical as they have ever been.

This process of merging has also been accompanied by a multiplication of issues that need to be considered. Foreign policy goals of a great number of countries are dictated by coalitions of interest forged between their governments and their private sector. This has led to an unbundling of trade and industry interests into their strategic components and

global offensives have been launched in each. The United States' Central Intelligence Agency may have been the first organization to make the gathering of foreign commercial intelligence a top research priority, but is unlikely to be the last.

Globalization also broadens the policy agenda. The speed with which environmental problems (which are truly global and multidimensional) have leapt on to the international stage may be a precursor of the future. Other social issues such as human rights, worker safety, and health standards could similarly become prominent and intertwined in time. More localized developments elsewhere in the world, such as Europe or the Middle East, have the capacity to reconfigure the world body politic and economic. All of these will require careful examination and policy responses.

When the above developments are factored into a framework of global interdependence—situations where there are costly reciprocal effects arising out of a country's policies—it is probably safe to predict that governance in many countries, not only Malaysia, will become increasingly taxed. Obviously, some evolution of governmental institutions and practices must be expected in response to these global imperatives. Whatever one may think about those in government, there can be no denying that the pressures of simply being in the frontline will lead to a desire for more appropriate structures and mechanisms to defend and advance national interests.

How Malaysian think tanks adapt to the situation is a key question. Working in the realm of ideas, their primary tasks must be to propose research policies and channel information to policy-makers which challenge the status quo.

It is important to remember that Malaysian think tanks also have important domestic policy research functions to play in coming decades. Improvement of living standards is a primary national concern, as are many other socio-political issues. There is, for example, a need for studies that facilitate continuous adjustments and refinements of policies, delivery mechanisms (especially the scope for private participation) and program consistency and complementarity.⁴

Burgeoning global and national research agendas of Malaysian think tanks will, we feel, require that more attention be paid to their research policies and productive capacity. Management will constantly have to ask themselves where the gaps in present programs are, what kinds of projects are needed to fill the gaps and, ultimately, where the resources will come from. All three questions are, to some degree, interconnected.

Finding funding is a challenge Malaysian think tanks face at the best of times. A strong tradition of individual and corporate philanthropy in support of non-partisan social science research is missing in Malaysia, so funding has had to come from the government and foreign non-governmental organizations. Invariably, however, demands made by consumers on think tanks will force hard investment choices to be made between those projects that best fit existing resources, those that have the biggest pay-offs, and those that consumers want and expect.

One way to mitigate financing and other constraints could be for think tanks to engage in what might be termed "research entrepreneurship," or the commercialization of research with the object of supplementing income. With increasing sophistication of

Malaysian business and industry, think tanks may be able to use spinoffs from their research to enhance corporate executive decision-making without unduly compromising public policy agendas. The possibility that a more purposeful venture into catering for private sector research needs and using this core to generate public policy inputs cannot also be entirely discounted.

A second way, seemingly a logical extension of present practice, is to build strategic alliances with other local and foreign think tanks so as to spread costs, accelerate learning and increase productive output. Research consortia on specific projects may be in the cards and may form the basis for so-called "flexible networks." (Flexible networks are where several organizations—not necessarily the ones mentioned—function as part of a larger whole.)

Skills represent another basic constraint on how think tanks evolve in the future. To be in a position to respond to global initiatives, the ability to synthesize a diverse portfolio of global and domestic issues and translate it into coherent and meaningful (and do-able) policy inputs is of utmost importance. This thinking ability is almost always acquired on the job and cannot be purchased. The management of learning-curves, therefore, becomes critical to the question of capacity.

Some pressure towards specialization may be unavoidable, even desirable. Multi-disciplinary projects tend to diffuse researchers' skills and think tanks will have to provide opportunities for staff to preserve and extend the skills they bring to these projects. When not actively used on projects, time can be devoted to deepening and improving these skills.

Standards of output ultimately justify the existence of think tanks. It is widely assumed that research must be supported by users in order to be deemed successful. Given the direction that research activities are heading, there may in future be more collusions than presently exist between think tanks and consumers. Questions about independence will almost certainly arise should this happen, although, as in most things, the issue is really one of balance and substance rather than appearance.

Notes

1. One of ISIS' first major studies was commissioned by the Ministry of Finance on various options to reduce the size of the public sector in such a way as not to impair efficiency and productivity.
2. E.J. Miller and A.K. Rice, *Systems of Organization*, (London: Tavistock, 1967).
3. Mavis Puthucheary, "The Shaping of Economic Policy in a Multi-ethnic Environment: The Malaysian Experience" in J.W. Langford and K. Lorne Brownsey, (eds.), *Economic Policy-Making in the Asia-Pacific Region*, (Halifax: Institute for Research on Public Policy, 1990).
4. Noordin Sopiee, "Policy Research in Malaysia," *ISIS Focus*, July 1989.

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Australia

Globalization and Australian Think Tanks: An Evaluation of Their Role and Contribution to Governance

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This paper surveys the organization, role and impact of Australian think tanks, focusing specifically on those concerned with adaptation to globalization. This is interpreted to cover organizations envisaging both domestic and external responses to changing international conditions. I first set forth some considerations which guided the identification and classification of think tanks. I then consider the role and impact of these think tanks in various policy communities. A final section assesses their overall contribution to public and private sector policy-making and discusses some of the factors qualifying their impact.

To summarize my conclusions at the outset, think tanks have proliferated in Australia since 1970, reflecting both a new external environment and internal political (value) fragmentation. Directly and indirectly, government funding has facilitated this process. The summary overview that this study represents, suggests think tanks are meeting, relatively effectively, the needs of the particular policy communities that they serve for strategic research.¹ These policy communities are largely defined by the two-party political framework. On Pacific basin issues in particular, several academic think tanks have provided an organizational base in which the work of an elite cadre of specialist professionals could be nurtured. More recently think tanks have sought to become catalysts in interest intermediation. They have been largely unsuccessful in this role.

The ability of political systems not only to create public-policy knowledge but also to link strategic analysis and political action—to facilitate what might be termed "political learning" and action—is now judged by some to be amongst the elements of competitive advantage.² Responsibility for a performance gap between, for example, Japan and Germany on the one hand, and Australia, on the other, in implementing public policy

changes and responding to new opportunities, cannot of course be ascribed to the think tanks. Rather, this involves characteristics of the larger political and policy-making system. Nevertheless, the think tanks own lack of concern with implementation issues is notable. The only institutes focusing on these matters, the "new right" group, are promoting a macro-political remedy that itself raises unprecedented problems of implementation.

This said, the need for reason to fertilize action—both in strategic planning and in interest intermediation—implies the continued proliferation of think tanks in Australia. Whether the present pattern of organizations represents the right basic structure to meet current and future needs is another matter. In turn, this suggests a deeper and more troubling question concerning the continuing utility of the two-party system as a structure for linking representation and policy making.³

Defining and Classifying Australia's Think Tanks

As others have remarked, the emergence of think tanks is a response to the growing complexity of social and political issues—a mirror of the complex patterns of organizational interdependence and value fragmentation that characterize contemporary society—and the need this creates to look backwards and forwards on a systematic basis. This vision needs to be driven by the requirements of particular issues, not by particular disciplines. It also requires organizations free of the priorities, pressures and restraints that arise in institutions charged with the management of current issues.⁴

Complexity has been created by value shifts and value "atomization", as well as by more complex interdependence, both domestically and globally.⁵ Think tanks are brokerage and conduit organizations which respond to these needs, as well as sources of original analysis and research. Their relatively loose organizational form reflects the best work environment for individuals whose natural talents and technical skills fit them for the complex analyses of fact and value, and the special energy and leaps of imagination, that are required. A "missionary" approach in building understanding of strategic issues and support for action may also figure prominently in a think tank's rationale.⁶ In these ways they mirror for the social sciences and for political analysis the much longer established research institutes of the physical sciences—but with variations and vicissitudes appropriate to the inevitably political (value and interest-laden) character of their work.

If the foregoing general considerations are stimulating the establishment of think tank-style organizations in many modern and modernizing societies, the need remains to explain the different organizational patterns that arise in different countries. I have argued elsewhere that this requires attention to the overarching formal political and policy-making structure.⁷ To the extent that policy-makers attempt to manage, rather than react to, strategic issues, this structure largely determines at what stage in their evolution issues will be recognized and given systematic attention. It also determines the

sequence of steps that follow in their unfolding through the formal policy-making process, in particular whose values and perspectives will be decisive in each phase.

The formal policy-making process thus shapes the particular policy communities who "own" issues as they unfold from recognition and emergence, through clarification and analysis, to identification of options, selection of preferred alternatives and implementation of the agreed solution. In the process, it creates distinctions between insiders and outsiders and the key influence points. Think tanks arise within this framework. Some have been created by insiders who recognize the need for strategic research. Other organizations have been established by outsiders who wish to influence this process. In either case, the architecture of policy making created by the political system, defines the approach to the management of strategic issues, the structure and timing of the phases of this process, the scope of the research and communications task within each phase, and the relevant client constituencies with their attendant values and perspectives.

These general propositions framed the selection and classification of organizations for inclusion in the following analysis and the criteria for assessment of their role and impact. A first criterion for selecting organizations involves institutes focused on the public policy agenda whose work is in the public domain. In total, some 75 organizations, which fall broadly in this category, were identified.*

A second filter was, of course, a concern with globalization issues. Globalization has been interpreted to cover both direct responses to international developments and indirect domestic adaptation, at least partly occasioned by the changing international environment. Thus organizations concerned with responses to changing trading patterns and to international trading, financial and political frameworks automatically qualify. We will see that there are a few, but influential, institutes in this category. A more diverse group involves those concerned with the domestic economy. Here the distinction between those concerned with domestic regulatory and taxation frameworks and other supply-side conditions (for example, population and training), and those performing quasi-commercial consulting for commercial firms or interests, is not always precise. Many of the university-based research centres are involved in both public policy issues and, say, exchange rate and macro-economic forecasting in response to commercial needs for information. We shall see that this problem of inclusion has been avoided (to some extent) by adoption of scale criteria in relation to university-based centres.

This still left a task of judgement and selection. At each boundary the distinction between organizations of different types blurs. First, there is a distinction between research groups with a disciplinary, and those with a public policy, focus. Various university research centres undertake some work that is purely disciplinary, some that could fall in either category, as well as (often commissioned) research that is clearly of a public policy character.

A second blurred line arises between commercial consultants and think tanks. For example, a key study on Australian industry policy that will be considered later, was commissioned by a government research organization, the Australian Manufacturing

* Detailed tables on the organizations surveyed for this study are available on request from the publisher.

Council (AMC) from the commercial consulting firm of Pappas, Carter, Evans and Koop.⁸ Similarly, an organization like the National Economic Research Bureau (NERB) is funded wholly by contract research. Yet both the Pappas/Carter study and NERB publications concern key public policy issues. Both AMC and NERB have been included, but commercial consultants have been excluded from this study.

A third blurred distinction is between the research activities of departments and agencies primarily concerned with current issues and think tanks. For example, the Treasury and Foreign Affairs and Trade Departments produce occasional papers. The former's rebuttal of the AMC report on industry policy positioned it squarely as a protagonist in this debate.⁹ Treasury has not, however, been included in this study. Similarly, the Industries Commission, which now includes the Business Regulation Review Unit, is a key protagonist within government for micro-economic reform.¹⁰ It has been included as a think tank concerned with interest intermediation.

Finally there is a blurred distinction between think tanks, lobbying organizations and issue movements. The problem of definition here is symptomatic of the fragmentation—in other words, the emergence of new patterns of political representation—of the past decade. For example, the Social Welfare Research Centre and the Australian Council of Social Services have been briefly covered in the survey this paper represents. The Brotherhood of St. Laurence has been excluded. The Business Council has been included because of its concern with trade regimes and domestic adaptation, the amount and quality of its research resources and its selective strategic focus. The Australian Chamber of Manufacturers, the Confederation of Australian Industry, the Australia Council of Trade Unions and the Amalgamated Metal Workers Union have been excluded, despite the fact that they too maintain research sections and produce occasional papers on strategic issues. The new social movements often have highly developed research capability. For example the environment movement has in-house research expertise in the Australian Conservation Foundation and the Total Environment Centres. These organizations have not been included. These filters and judgements left a total of 41 organizations for consideration.

The question of classification of this array of organizations then arose. The approach set forth in earlier paragraphs suggests the role of these organizations is to be differentiated. The political structure constitutes the formal framework within which public choice takes place. This structure implicitly creates individuals with responsibility for recognizing and managing strategic public policy issues. In the process it creates particular policy-making communities. In contemporary Australia the communities that are thus constituted originate in two basic features of the two-party political system.

First, its norms shape the formal distinction between so-called technical and political phases in the unfolding of issues. At the crudest level, issues are technical until Cabinet determines what is to be done, at which point they become political. In practice this is, of course, a blurred distinction. The industry policy report mentioned earlier has already attracted rebuttals and in this sense it is already political. Yet most of the interests affected by these recommendations will not be engaged until the government decides what to do and they will not be aroused until the government takes a specific decision. The characteristics of the situation that will then arise will be different in most

respects from the current phase.¹¹ One consequence is the difficulty governments face currently in clarifying likely responses to proposed moves or in gauging how differently composed policy packages might lead to different interest alignments. The inability of the present system to deliver almost any public bi-partisanship is a major obstacle.

Second, really a corollary, the technical-political distinction creates ministries as the organizational units with primary responsibility for recognizing and managing strategic issues. The division of responsibility for strategic leadership between politicians and public servants is deliberately ambiguous to allow play for both representational and expert considerations. Bureaucratic leaders and ministers determine what is to be recognized as an issue, when and how this should occur, and what is to be done. The structure of departments is an implicit framework for issue definition and departments are key protagonists in policy communities. I have pointed out elsewhere the degree to which political parties have been displaced by issue movements in setting the strategic agenda.¹² Nevertheless, formal power remains with ministers and, for this reason, research organizations that serve departmental planning systems have been distinguished as one grouping of think tanks.

As the repository of expertise, departments have recognized the need to encourage the production of policy-relevant, social-science knowledge. Thus they have allocated funds specifically to create think tanks in universities. Although created with departmental funding, those organizations exist in apolitical settings which allows speculation free of the constraints arising within ministries and within time horizons well removed from the electoral cycle. In addition, universities are institutions where criteria for assessing the quality of work are available in established disciplinary processes and with established international links.

The third principal grouping covers private sector organizations. Citizens and private interests have substantial stakes in public policy questions. Public sector organizations often need information from private interests to plan policy responses. They may also need the cooperation of private sector organizations to implement policy responses. In practice, these processes can rarely be successfully separated. In addition, organized groups of private citizens can advance new concerns to the political agenda. Single issue movements and interest groups have supplemented political parties in citizen political representation in the past decade.¹³ This is the primary source of domestic political fragmentation and value complexity. In turn citizens and/or interest groups often find think tanks a useful device for advice, brokerage analysis and/or promotion and advocacy.

Thus in the following section think tanks have been grouped according to the broad policy community they serve. This yields three categories—university-based centres, public sector think tanks and private sector think tanks. Within each of these categories other criteria are applied, based on the characteristics of the policy community, to analyse the effectiveness of its think tanks.

University-Based Centres

University-based research centres have proliferated in recent years, largely stimulated by earmarked government funding. The logic of creating specialist centres in universities derives partly from the dependence of think tank activities on disciplinary specialists and partly from the accepted mission of universities as originators of knowledge. When universities are the primary sponsors of research organizations, institutions with distinctive characteristics emerge. Individuals often work at considerable remove from debate on the public agenda. They are encouraged to regard disciplinary peers as a primary reference group. These people are, of course, often not local residents. This further distances such organizations from political and public policy agendas. But it also reflects the ideal conception of universities as agenda originators, with disciplinary freedom as the key condition.

Ten university-based centres are reviewed below. Scale and focus on globalization issues have been the principal criteria for inclusion. I have generally focused on organizations with annual expenditure in excess of \$300,000 and with full-time staff of more than three.

The outstanding characteristic of this list is the concentration of centres at the Australian National University. Six of the 10 organizations are based there. Furthermore, none outside Canberra has an explicitly international focus. In scale of funding, ANU-based organizations also dominate. These organizations together represent approximately \$5 million or 55 percent of the total funds allocated to university research centres. In addition, they together employ some 100 professional staff—compared to the non-Canberra organizations with approximately 40 professional staff. The Canberra-based centres also blend disciplines—history, politics, sociology and economics—whereas 12 out of the 19 non-Canberra centres are predominantly based in economics, with another three centres based in industrial relations.

All the centres reviewed here depend overwhelmingly on government for their funding. Most centres receive no more than 10-15 percent of funds from grants or contract research from the private sector. For example, the Australia-Japan Research Centre receives support from major national corporations (for example, BHP \$25,000, Westpac and Arthur Anderson, \$5,000) which amounts to around 20 percent of its total budget of \$650,000. Government funds come directly as research grants, earmarked grants from individual departments, or indirectly from general university allocations or through research grants obtained by individual scholars. Several of the ANU centres have attracted support from U.S. foundations (such as the Peace Research Centre and the MacArthur Foundation).

These organizations include several that have made distinguished contributions to internationalization. Most notable is perhaps the Australia-Japan Research Centre. The vision of its founder, Sir John Crawford, was for a high calibre centre working on frontier issues affecting the Japan-Australia relationship.¹⁴ Impact was to be obtained through quality of research and the quality of personal links between centre staff, Australian Foreign Affairs professionals and scholars and officials from Japan and other Pacific basin states. This vision would seem to have been fulfilled. The Centre has pioneered

concepts of Pacific region cooperation. Its blueprint has provided the basis for official consideration in Australia and other Pacific basin countries. The Centre coordinates the secretariat for the Pacific Trade and Development Conference series, the Australian National Pacific Economic Cooperation Committee (AUSPEC) and the Pacific Economic Cooperation Conference Minerals and Energy Forum, and has separate grants and structures for this work.

Another ANU centre, the Strategic and Defence Studies Centre, is the only full-time research organization concerned with strategic and defence studies in Australia. It has a professional staff of nine, plus several long-term visitors. Its total annual budget is \$1.1 million, of which about 45 percent is from the university, 45 percent from the Department of Defence and the Services, and 10 percent from other sources (foundations, state governments and other government authorities). Much of the Centre's work is concerned with the provision of reports (including specifically commissioned reports) and advice to government authorities such as the Minister for Defence, the Department of Defence, the Northern Territory Government and Parliamentary Committees.

In addition, this Centre, along with the National Centre for Development Studies, the Australia-Japan Research Centre and the other ANU-based centres have played a role, in the style of the Washington think tanks, as institutions within which the development of an elite cadre of public policy specialists has been fostered.¹⁵ These individuals have been available for short-term official assignments (such as ministerial advisers, senior departmental officials and leaders of public policy enquiries.) Professor Ross Garnaut, author of the most recent and most significant official report on Australian responses to internationalization, is an example. His enquiry was staffed by individuals associated with the Australia-Japan Research Centre and many of the findings of this report are also to be found in the work of the Centre's present director, Professor Peter Drysdale. Professor Helen Hughes, Director of the National Centre for Development Studies, has also produced several influential official reports. Others who have played influential policy-making roles include Professors Des Ball, N. Viviani, S. Harris, Bob Gregory, F. Green, Dr. Peter McAuley and Bruce Chapman. The maintenance of this high calibre personnel network is a notable contribution of these ANU centres.

The programs and activities of these centres are mutually reinforcing. All stage an array of conferences and seminars, offer facilities and funds for scholarly and official exchanges and visits, and publish scholarly studies on current and emerging issues. All sponsor Ph.D. students. Together the ANU centres publish four scholarly journals as well as newsletters, bulletins and working papers.

Of the four remaining centres, three are located in Victoria and one in South Australia. Two at Monash University—the Centre for Policy Studies and the Centre for Public Sector Management—have received significant federal funding. These grants provided \$1 million and \$1.4 million respectively over a three year period. None of these four organizations focus wholly or even principally on international issues. All work primarily from economics as the grounding discipline. Their activities reflect the usual array of conferences and seminars, contract research and general scholarly work. One, the Centre for Public Sector Management, is also closely involved in teaching activities. Two of these centres have been closely identified with pro-market advocacy—the Centre

for Policy Studies at Monash and the National Institute for Labour Studies at Flinders. The former Institute undertook a major commissioned study of potential expenditure cuts, the premises of which drew explicitly on the assumptions of classical economics about the role of government. The conclusions of this report were polemical and intended as a contribution to current political debate.¹⁶ A similar role has been played by the latter Institute in relation to labour market reform and state government expenditure.¹⁷ Both these organizations have managed to reconcile their advocacy and polemical activities with scholarly research.

The links between the business community and the National Institute of Labour Studies and the Centre for Policy Studies appear to be developing. Contract funding of the former body in 1988-89 included \$300,000 from the Business Council of Australia for labour market research. This was the largest single contract received. Four of its other five contracted studies were sponsored by public agencies. Contract funding for work by the Centre for Policy Studies reached \$300,000 in 1988/89. Its founding director has recently resigned to establish a privately-funded economic research centre, the Tasman Economic Research Institute.

There has clearly been a significant growth of university-based research centres in recent years. This has been partly in response to direct government funding and partly in response to the availability of special centre grants within universities themselves. The national government, through the Australian Research Council, funds special research centres and key centres for teaching and research. This has stimulated the formation of five centres (of a total of 30 grants awarded) whose focus is adaptation to globalization, albeit at firm and industry level, as well as at the level of regulatory frameworks.

Generally, the foundation of new centres and the growth of established centres suggests considerable ferment at the university level in recent years. The direct and indirect linkage between the ANU-based centres and their official clients is evident. Their impact on the quality of public policy, at least at the level of aspirations, is also evident. The quality of the links between the other university-based centres and business, unions and other relevant segments of the Australian community is not so clear. To some extent these developments are still in embryo. The traditional isolation of Australia's intellectual community from other segments of society suggests special difficulties. Robert McLean has analysed elsewhere the complex interactions that need to be nurtured if university-based research and development is to achieve commercial impact.¹⁸ At least as complex a process confronts those who are constructing social science academic research centres. Without special effort, centres could maintain past, inward-looking patterns. They would thus fail to attain that cross-fertilization and those new patterns of interest intermediation that government programs seek to stimulate and our new economic circumstances require.

Public Sector Organizations

Reflecting the needs of the public sector for more comprehensive and focused research on issues at the frontier of the public agenda, think tanks have constituted a (if not the) principal source of public sector organizational growth over recent years. In addition, established organizations have taken on some think tank-type functions. Australian research organizations sponsored by government prior to 1970 all had a technical focus. In keeping with the role of social science as interpreter of the complexity and interdependence of contemporary society, social science think tanks have proliferated. Approximately 17 organizations in the public sector can be regarded as think tanks or organizations substantially performing think tank functions. Of these, 11 have functions related closely to globalization. Ten of these organizations have been founded since 1970. The total annual expenditure amounts to \$55 million and together they employ approximately 900 staff. These organizations constitute by far the most substantial concentration of resources on applied social science research in Australia. The Bureau of Census and Statistics is, of course, the largest single body with resources and staff far greater than those of all the new think tanks combined. Its scale is testament to government's need for research in an earlier phase of state development. The Bureau has not been included in this study. In coverage and scope the array of public service think tanks mirror the full range of domestic policy activities.

Relatively fewer resources, and different types of organizations, are focused on overall economic strategy (Economic Planning Advisory Council—EPAC), and on emerging issues (Commission for the Future), than on strategic research in established, differentiated policy areas (Bureau of Agricultural and Resource Economics, Bureau of Industry Economics, Bureau of Transport & Communication Economics). In addition, several organizations have been created whose primary task is interest intermediation (Australian Manufacturing Council, EPAC) and/or issue analysis and advocacy (Industry Commission). Other bodies undertake interest intermediation but with a mission to implement ostensibly agreed upon objectives, not to undertake fresh diagnostic strategic research (Auto-Industry Authority—\$11 million budget; Shipping Industry Reform Authority—\$0.5 million budget; Waterfront Industry Authority—\$2 million budget; Textile, Clothing and Footwear Development Authority—\$11 million budget).

The three largest public sector organizations—the Bureau of Agricultural and Resource Economics, the Bureau of Industry Economics and the Bureau of Transport and Communication Economics, are conventional research institutions, focused on the medium-term agenda and using primarily the paradigms and methods of economics to identify, define and interpret issues. The Bureau of Agricultural and Resource Economics output suggests it regards its key clients as industry, as well as its sponsoring department and other public service agencies. The Bureau's price and market forecasts have traditionally provided planning information to primary producers. Its distribution list, in excess of 10,000, suggests the usefulness and reach of routine Bureau publications. In this role the Bureau performs information gathering and dissemination functions of the kind Ronald Dore notes are performed on a larger and more comprehensive scale by Japan's central agencies.¹⁹ In addition to mail-based information dissemination, the Bureau stages an annual "outlook" conference for primary and resources sectors which

are well attended and widely reported in national and specialist print and broadcast media.

The Bureau has played an innovative role in offshore policy marketing. Its report on the costs of farm subsidies in the European Community (EC) was widely reported and regarded as a landmark survey.²⁰ Subsequent research has supported the efforts of the Cairns group in General Agreement on Trade and Tariffs (GATT) forums. The Bureau has repeated this analysis in relation to other protected domestic markets and sought to bring its findings before local protagonists. For example, its report on Japan is available in English and Japanese. In addition, it is undertaking a joint research project with a counterpart centre in Japan. It has also undertaken surveys to show the impact of global protectionism on the markets for particular commodities (such as coal).²¹ Its reports are professional and typically aimed at a broad range of decision- and opinion-makers. Technical data is generally presented in words and pictures intended for intelligent lay readers. In this context, its report on *Agricultural Policies in the European Community* is a model. Another major study, *U.S. Grain Policies and the World Market*, was recently awarded the prestigious American Agricultural Economics Association award for Quality of Communications.

The Bureau of Industry Economics (BIE), with a staff of 60 and a budget of \$2.5 million, is also a substantial organization. This organization also works within the paradigms of economics, and targets its work at industry as well as serving its sponsoring department, Department of Industry, Trade and Commerce (DITAC), and other departments. The Bureau has contributed to debate about the evolution of industry policy in Australia, and about the role of government, but it has often been a reactive rather than proactive participant. It has been a late entrant to the debate on strategic trade and industry policy issues. To some extent, this presumably reflects the limitations of its favoured paradigms. On the other hand, it has published nine evaluation studies of existing or proposed programs (for example, on the benefits of labour market deregulation, and corporate taxation).²² BIE output is focused on printed reports, which in 1989, included four research reports, six working papers, and two discussion/occasional papers. The Bureau also publishes a quarterly review of industry trends and maintains an active small business program.²³ Its current research agenda includes potential for growth in manufacturing industries in the light of world market conditions, transnationalization of Australian companies, exchange rate effect on Australian manufacturers, and environment, productivity and taxation issues. The Bureau has increasingly looked to outside sponsorship to augment its resources. Sponsors have included AMC, EPAC, the Business Council, the Australian Finance Conference and the Australian Equipment Lessors Association.²⁴

The Bureau of Transport and Communication Economics plays a similar role. The scope of its research program is described as "projects relevant to current and emerging policy issues as well as ongoing commitments to information collection and dissemination and studies aimed at providing better analytical methods and research techniques."²⁵ In 1989 it coordinated the preparation of a major paper, *Transport and Australian Industry*, which was tabled to EPAC. The Bureau's annual report documents publications distributed at 1,500 copies; citations of research papers in other scholarly work (none listed); mentions in press and media reports (83); and requests for, or sales of, reports

(1517).²⁶ Its major studies covered such topics as comparison of railway systems (for the Railway Industry Council), targeting of national external roads funding, costs of Telecom's community service obligations, pay television, and the economic significance of the waterfront and the costs of its unreliability.

The Commission for the Future is a relatively small (six staff, \$1 million budget) organization concerned with building public understanding of longer-term issues. It has the onerous task of building its own constituency—there are no "natural" clients created either by the structure of government or in the private sector. In addition, its mission, to focus on ends and possible outcomes, creates formidable constituency problems. Its choice of environmental and quality of life issues as major issues for research gives it potential links to the environment movement, industry, universities and the trade union movement. However, these are diffuse stake holders and the Commission faces the challenge of defining and attracting an audience sufficiently influential to justify its existence. It seems to have little base in the structure of government save for sympathetic members of Parliament. It has barely tried to match any of the roles of, for example, the Office of Technology Assessment that serves the U.S. Congress, or the House of Commons Scientific Unit. The Commission has sought to create its own agenda rather than respond to others. For example, it has so far remained largely distanced from the key issue of future industry policy. The Commission relies on working parties to broaden its reach and a monthly newsletter to build a wider public constituency.²⁷

Various organizations have been established since 1983 to implement the Labor government's corporatist approach to building (principally) industry and trade union support for its medium-term policy agenda.²⁸ Two of these, in the areas of overall economic strategy and industry policy, are akin to think tanks. These organizations are the Economic Planning Advisory Council and the Australian Manufacturing Council. The Economic Planning Advisory Council employs around 20 staff with an annual budget of approximately \$1.5 million. It provides a forum for discussions between federal ministers, state ministers, representatives of business, trade unions and community groups. The organization also publishes regular research papers on medium-term economic issues and coordinates the flow of submissions by external interest groups to the government.²⁹ EPAC has generally adopted the paradigm of economics in its work. It has not investigated failures in policy implementation. Its single experience with forecasts that proved politically damaging to the government leads it to refrain from further such efforts. The organization is thwarted by the conventions of the two-party system under which any material that it might produce at variance from government prognoses immediately becomes ammunition for the Opposition. Its environment thus encourages a politically cautious stance and its analyses tend to be technical. EPAC studies have been cited at wage hearings and by the Organization for Economic Cooperation and Development (OECD). Ultimately, EPAC's success can only be judged in the wider context of the effectiveness of the array of Accord arrangements to facilitate necessary economic adaptation. Its present role is both defined and constrained by this approach to the management of relations between government and interest groups.

The Australian Manufacturing Council is on much the same scale as EPAC. It has facilitated interaction between industry and trade union representatives with concern for particular industrial sectors. There is little systematic evidence available about the

positive or negative effects of such interactions in Australia, although outstanding studies document the work of analogous structures in other countries.³⁰ The Council's most significant contribution to globalization issues results from the report commissioned in 1988 from the private management consulting firm of Pappas, Carter, Evans and Koop, on future industry policy. The consultants' interim report opened the question of the potential positive role of government in facilitating industrial adaptation and in overcoming the special disadvantages of Australian firms competing in international markets. It thus brought to the official level, debate about the desirability and form of a neo-mercantilist strategy in Australia. This builds on similar approaches in academic work in the U.S. and the U.K. Such approaches have entered the political domain in the U.K. through the speeches and writings of Mr. Michael Heseltine.³¹ This approach counters that which has been championed by other departments with responsibilities for economic coordination and strategic adaption. Awareness of the issues that arise in this policy debate seems so far to be confined within bureaucratic and scholarly policy communities.

An older agency, also a key participant in this debate, is included in this review because of the degree to which it performs quasi-think tank functions. This is the Industry Commission, originally the Tariff Board and originally constituted to review and recommend protection levels for Australian firms.³² In the face of the changing international economic environment and the failure of most protected Australian manufacturing to move from domestic to international marketing, the Tariff Board, reconstituted as the Industries Assistance Commission, increasingly championed the reduction of protection in Australia. It did so by demonstrating the burden that protection imposed on consumers. It further suggested this exercised a negative impact on Australian economic growth. The Commission gradually evolved from an agency advocating protection, to explicit hostility to protection. Its battles with the entrenched protectionist approach to industry development have been graphically documented.³³ With its latest reconstitution (1990), the Commission's charter has broadened from industry reviews to sectoral and regulatory reviews. It has become the principal official advocate for micro-economic reform in Australia. It has built substantial research capacity and cultivated sympathetic relations with key economic journalists, academics, bureaucrats in several departments and with key parliamentarians. Whether this alliance is sufficient to the reform task the Commission is pursuing remains an open question.

The Industry Commission is in a unique position as judge and advocate. It has been immensely influential in policy within and between departments, but its success in mobilizing consent beyond the formal policy-making system is much less evident. This reflects the general difficulties that hamper the policy-making system in its efforts to mobilize consent for necessary policy changes where substantial interests or other levels of government are involved. I have reviewed the reasons and suggested some of the requirements for these exercises elsewhere.³⁴ To be noted here is the strangely apolitical role and temper of the Industry Commission as it attempts to contribute at some remove from, and ostensibly free of, politics, to the resolution of the most contentious domestic political issues to which globalization gives rise.

Finally, four small bodies have been established to facilitate interaction between Australia and four important regional countries: China, Japan, Indonesia and New

Zealand. These are the Australia-China Council (ACC), the Australia-Japan Foundation (AJF), the Australia-Indonesia Institute (AII) and the Australia-New Zealand Foundation (ANZF). The secretariats of these organizations are located in the Department of Foreign Affairs and Trade. While they do not themselves undertake research projects, these bodies occasionally commission other bodies or individuals to conduct research on their behalf. They also fund research projects designed and carried out by other bodies. Their primary function is to promote interaction between key sectors of the Australian community and their counterparts in the other countries. The AJF, ACC and AII also conduct programs designed to improve the capacity of Australians to deal with the respective countries for which they have responsibility. These three organizations work in consultation with the Asian Studies Council, which is associated with the federal Department of Employment, Education and Training.

The most crucial positive contribution to globalization in recent years has come not directly from a research organization but from an official enquiry. This is the report *Australia and the North East Asia Ascendancy* prepared by Professor Ross Garnaut.³⁵ I have already remarked how Garnaut's association with the Australia-Japan Research Centre reflects the role of university-based centres as creators of skilled personnel. In its typical pattern, the policy-making system sought an externally prepared expert report to propose an agenda of issues and to act as catalyst in refocusing the work of other agencies. Assessment of the Garnaut recommendations and evaluation of their significance for existing activities is now taking place. Already the Bureau of Agricultural and Resource Economics has followed Garnaut's suggestion by seeking joint studies with a counterpart institute in Japan.

In general, the public sector research organizations reflect the need of departments for specialist strategic research. This can cover evaluation of emerging issues, monitoring of existing programs or trends, and evaluation of proposed developments. This generally concerns means rather than ends. A number of departmental organizations have also sought to influence interest intermediation where the cooperation of various interests is deemed essential in defining desirable ends of policy or in implementing desired policy outcomes. Several organizations, treated here as think tanks, have this as their primary mission (Industry Commission, EPAC, AMC), others have taken on such tasks (for example, the BTE report to Australian Railways Council). Since implementation of most of the policy changes required by globalization involves changing established policy frameworks and interest group relations, and since research drives recognition of these issues and of the possibilities for compensated or other forms of adjustment, it is reasonable that research organizations should play a part.³⁶ The role of research organizations in interest intermediation—to determine responses to new circumstances and to define desirable changes to established policy frameworks—is bound to increase. I return in the conclusion to consider the effectiveness of think tanks in these roles and the structural factors that might hamper their impact.

Private Sector Research Organizations

Here I review 14 organizations directly or indirectly concerned with globalization.

The pattern of these private sector organizations and the roles they have adopted reflect several factors: first, concern for the public interest displayed by groups of citizens; second, the need by private interests for information about strategic and current policy making; third, the pattern of policy making which determines when issues enter the public domain and whose influence will be decisive at various stages in their evolution.

The first seven of these 12 organizations are "public interest" organizations. However, the governing purposes of these organizations permit further classification. Two organizations—the Australian Institute of Political Science (AIPS) and the Australian Institute of International Affairs (AIIA)—represent institutions of no particular ideological disposition, whose purpose is to build understanding of complex public policy questions. AIIA is constituted by a national secretariat and nine active branches. Its annual budget ranges from \$100-\$180,000. It publishes a respected academic journal, stages annual conferences and seminars, publishes occasional papers and conducts regular meetings.³⁷ This organization has been effectively endowed by government through the grant of a building site in the national capital which has enabled rentable office space to be developed. The Institute does not engage in advocacy on issues of current controversy although their special visitors program seeks controversial viewpoints. It provides a forum for public and private sector organizations, scholars and interested citizens. In this sense the Institute contributes to awareness of globalization issues—recent annual conferences have focused on Pacific cooperation and changing patterns of international linkage. The relatively low level of membership (1,700) and lack of corporate support, beyond a few major companies, suggests the generally inward-looking character of Australian political culture and the lack of focus on external issues.

AIPS has diminished in impact in recent years although it continues to publish a highly-regarded journal. This Institute formerly staged an annual summer school that was influential in focusing attention on emerging issues and facilitating interaction between elites concerned with public policy questions. The organization now employs only one individual part-time, conducts no regular forums and has little impact beyond its journal. It receives an annual federal grant of \$6,000.

The next group of four organizations—the Institute of Public Affairs, the Sydney Institute, the Centre for Independent Studies and the Australian Institute for Public Policy—constitutes the springboard for the new right in Australia. In common with other liberal democratic societies, new right think tanks have been established in Australia since 1975. The pattern and evolution of these think tanks precisely matches international experience.³⁸ These organizations champion the values of classical economics, in particular its dicta concerning the role of government. They thus oppose the role of government that has evolved from the mingling of advanced liberalism, socialism and Keynesian economies. Their focus is the emerging political agenda. These groups have been concerned with globalization directly as champions for free trade and a liberal international trading order, and indirectly as protagonists for the replacement of social

democratic infrastructure by competitive market-based arrangements. Unlike the populist issue movements and mass parties, new right institutes are deliberately elite focused.³⁹ Like these other groups, however, they are concerned with the emerging political agenda and have had an impact on both the major political parties. I have suggested elsewhere a juncture between the populist issue movements and the neo-liberal movement. All these protagonists focus on social factions other than classes, shading, in the case of the neo-liberal movement, to atomized individuals.⁴⁰

The resources of the neo-liberal group of organizations collectively amount to approximately \$4.5 million or 40 percent of the total resources of private bodies. This is made up of member subscriptions, sale of publications and general donations. Their growth in support has been marked in recent years. These organizations are independent, with informal coordination attained by cross-over membership and informal and formal networks—such as the dining clubs, the HR Nichols Society and the Adam Smith Club.

Their activities vary and are generally complementary. The Centre for Independent Studies concentrates on the publication of scholarly studies. It has published more than 40 books since its inception in 1972. It also publishes a journal (*Policy*) modelled on that produced by the Heritage Foundation in the United States (*Policy Review*). The Institute of Public Affairs publishes a less scholarly journal and polemical fact sheets. It has established four sub-units—the Pacific Security Research Institute, the Economic Policy Unit, the States Policy Unit and the Education Policy Unit. The latter two units have at least one full-time professional staffer. The Pacific Security Research Institute has a full-time director, who is an ex-ambassador. Its president, Prof. Owen Harries, is editor of the influential American quarterly, *The National Interest*. This Institute sponsors an annual conference, hosts meetings for international visitors, and arranges media responses and publicity.

The impact of the new right group of organizations has been very substantial—quite as significant as that of the issue movements and major interest groups. These think tanks have pioneered the agendas concerned with responses to the changed world economy now championed in greater or lesser degree by both major parties in Australia. As means to this end, these think tanks have set the frame of discourse for key public servants and media commentators.⁴¹ These elite champions, however, have had less success in translating their so called "economic rationalist" agenda into practice in the face of resistance from interest groups and the resonance of values other than allocative efficiency in the wider political system.

The neo-liberal group has attracted a counter organization, the Evatt Foundation, which champions social democratic values. This organization is still in its infancy as a public policy research body. Its British counterpart, the Institute for Public Policy Research, was only founded in 1988. The Evatt Foundation supports the labour movement rather than the Labor Party. It has received considerable federal support (\$250,000). It plans a major international conference in 1990 to consider the future of trade unions, the changing workplace and international labour solidarity. Its scope includes attention to the role of labour in the South Pacific and the newly industrialized economies (NIEs). A staff of between five and 12 is planned.

Finally, two organizations represent private sector interests. The Committee for Economic Development of Australia (CEDA) was originally conceived on the model of the United States Committee for Economic Development. Its purpose is to bring private sector expertise and resources to detached analysis of the strategic economic and public policy agenda. I have argued in an earlier study that the singular porousness and transparency of the United States policy-making system, associated with a political ethos of participation, summon such a contribution from private interests in that country.⁴² By contrast, the private character of policy making in Australia inhibits interaction. So in practice, CEDA has been primarily concerned with facilitating communication and interaction between public and private sectors through its very substantial conference program. This said, CEDA is a substantial organization by Australian standards with an annual budget in the order of \$3 million. Its research activities have included major studies of immigration and the labour market, Pacific basin export requirements, Australia-New Zealand relations and Australia's own competitive outlook. Its upcoming overview studies cover the implications of the environment movement and an assessment of obstacles to effective governance.⁴³

Most recently CEDA has played a more active role on globalization issues. For example in 1989 it staged a major international conference on Pacific basin economic opportunities in Sydney. It is linked to an international network of eight counterpart organizations in the U.S., France, Britain, Spain, Germany and Japan. In addition it has undertaken bilateral studies with its Japanese counterpart (the Keizai Doukai) on labour market reform and investment, and multilateral studies with all its counterparts (*Towards Freer Trade Between Nations*, 1989).

In 1984 the Business Council of Australia (BCA) was established. This organization is modelled on the United States Business Round Table and acts as a policy forum and advocate for major industrial companies in Australia. BCA operates on an annual budget of around \$3 million. It has recruited (principally) ex-Commonwealth officers who retain informal links with former colleagues. The Business Council has established task forces on GATT and various domestic reform areas. It has not been at the forefront of international issues—for example it has yet to establish a group to consider the implications of the Garnaut report. It has, however, been concerned with domestic adaptation to globalization with a major conference on Australia's external debt (1990) and a major study of labour market reform (1989). Other private sector organizations were considered for this study, but excluded because their activities are more akin to lobbying, or do not touch globalization.

In general, Australia lacks private sector research organizations of the kind that arise in the U.S. I have argued elsewhere this is partly the result of the differing political architecture of the two societies. I have also argued Australia's deliberately inward-looking political and developmental strategy, adopted in 1909, encouraged a domestic focus for private interests.⁴⁴ This, coupled with a traditional reliance on government, is reflected in the sparse array of private organizations and the seeming indifference of private interest to the implications of globalization. The exception is the new right group whose approach and remedies represent a renewal of the approach of the Free Trade Party in Australian politics before 1909.

Globalization ultimately requires responses from the private sector. New opportunities need to be identified and seized. The obstacles to adaptation represented by existing congeries of private interests need to be surmounted. Both these tasks require interest intermediation. What part government might play in seeking new opportunities remains contested. Similarly how the policy frameworks that are now seen as liabilities might be dismantled is also contested.⁴⁵ To the extent think tanks symbolize the practical concern of private interests for such questions, their absence suggests a lack of awareness, even indifference. Whether these interests, or the political structure which shapes their expectations, should be arraigned is the issue to which I now turn.

Assessment

The foregoing sections have sketched the work of some 41 organizations that might be classified as think tanks out of approximately 75 such organizations in Australia. Several broad characteristics are suggested by the overall pattern. First, the predominant role of government as a source of funds has been noted in relation to individual sectors. This is even clearer when we look at the overall pattern. Of the approximately \$80 million spent by the organizations surveyed, about \$65 million or 82 percent is provided by government. The greatest proportion is on government-sponsored institutes (70 percent or \$55 million). But university-based organizations too, depend almost totally on this source (82 percent). This role for government maintains traditional elements of Australian political culture.⁴⁶

Second, really a corollary point, the private sector contributes frugally to these institutions. Even those that offer potentially useful access to official networks and conduit to information such as AIIA, are treated parsimoniously by private sector sponsors. The exceptions here are CEDA, the Business Council and the new right group. CEDA and the Business Council stand at the intersection of public and private sectors. The former has achieved a more substantial role as an "honest broker" than as an influential source of research on strategic issues of public-private concern, and the latter is closer to a special interest advocacy organization than a conventional think tank. Sponsorship of this kind of activity by the private sector contrasts with its support for sport (\$50 million annually) and the arts (\$47 million annually).⁴⁷ This suggests the levels of enlightened citizenship among the most privileged interests. The private sector has been a more generous sponsor of the new right advocacy think tanks (\$4.5 million), although this represents a small proportion of total spending (4 percent).

The purposes of the organizations surveyed and their date of founding suggests the changing needs for strategic, issue-focused research and assessment by different segments of the official policy-making community, as well as the growing role of information in interest intermediation. Organizations performing this latter task in a proactive way have only emerged since 1983 (EPAC and AMC). CEDA has performed this role, albeit in a passive sense, since its inception.

The vision that has led to the founding of the most significant, pioneering institutions has come from a few individuals closely associated with government—in this sense the government sector has been both provider and initiator of developments. The private sector organizations (AIIA, CEDA, the new right think tanks) have all been inspired by similar developments in other countries and represent their imitation in Australia.

The growing importance of information as a key element in both issue anticipation and analysis and interest intermediation—that is the growing need to concert understanding and action across hitherto dissociated interests—points to two further characteristics of the overall pattern. First, the predominance of the paradigms of economics is evident in the names of these organizations. Approximately 40 of the 75 organizations surveyed work wholly or predominantly within a framework based in economics. It must be questioned whether the understanding of policy-makers is best fertilized by such an exclusive perspective. This leaves some important gaps. Economic paradigms do not help policy-makers come to grips with contemporary value complexity, nor do they encourage a focus on problems of implementing policy change. The paradigm of allocative efficiency continues to be of primary importance in identifying domestic regulatory areas that need to be dismantled or that exercise a negative impact on growth. But other, often supplemental, sometimes alternative, approaches to building efficiency and productivity at present go largely unrecognized for want of institutional champions. The paradigm of allocative efficiency is often interpreted to imply the only requirement for international performance is to liberate the market—hardly an uncontested view.⁴⁸

The second overall characteristic is the absence of organizations concerned with interest intermediation, the more surprising in the face of the role of information in facilitating this task. Australia's think tanks, with three exceptions (the Industries Commission, the Australian Manufacturing Council and the Economic Planning Advisory Council) are not concerned with interest intermediation, but rather with the provision of strategic information to established policy communities. These communities—the universities, government and business—have traditionally functioned in relative isolation. Organizations typically focus on the needs of elites with established roles in each of these sectors—not on building new cross-sectoral or intra-sectoral linkages on issues of common concern. Yet the capacity to build such ad hoc networks to facilitate policy action is the key characteristics or "one of the key characteristics of a flexible, adaptive society."

This brings us to the question of the impact of the think tanks here surveyed. As the former paragraphs imply, their contribution to understanding new and established strategic concerns needs to be distinguished from their contribution to interest intermediation and political implementation. The research institutes, particularly those based at the Australian National University, have been an important source of new policy knowledge. The public sector think tanks have provided a source of strategic research for established areas of activity and their unfolding role here suggests the changing nature of the task—for example the Bureau of Agricultural and Resource Economics in international agricultural protection and the joint projects being undertaken with counterpart Japanese organizations. Similar activity by CEDA represents pioneering work among the private sector organizations.

Outside of government, the new right think tanks have played innovative and very effective roles as champions of a range of new issues to the political agenda—privatization, deregulation, micro-economic reform, labour market reform and trade liberalization. In influencing the strategic political agenda they match the activity of issue movements which have championed environmental issues, affirmative action and so forth. These latter movements have sought a populist base for political impact. The new right think tanks on the other hand have deliberately targeted elite opinion. In this, they renew the approach of the Fabians at the turn of the century, as they recall the doctrines of the colonial and early post-federation Free Trade Party.

Organizations have been created within government to mirror the causes championed by these external political formations. Thus the Industries Commission acts within government to champion the new right agenda on micro-economic reform, as the state and federal environment departments and Equal Opportunity Commissions institutionalize the concerns of other social movements.

The growth of think tanks in the past decade in each sector testifies both to globalization and to a pluralization of values. The two-fold sources of complexity call for new responses from various political and economic actors and new mechanisms both for research and for interest intermediation. In this latter role, Australia's array of think tanks have made little contribution—save perhaps for the new right group who have consistently championed the economic rationalist agenda. My first work on think tanks in 1979 drew attention to the way the U.S. structure of government facilitates the work of think tanks in part through the role that congressional committees play as catalysts for interest intermediation on new and established issues. Research over the intervening years has deepened my conviction that parliamentary select committees offer unrecognized potential in this task.⁴⁹ This is a role that remains largely unexplored in any of the countries that broadly follow Westminster patterns although there seems to have been even less attention to the potential role of parliamentary committees in Australia than in Canada, New Zealand and the U.K.⁵⁰

I have argued elsewhere the most dysfunctional feature of the norms and procedures that are associated with the present two-party system are their artificial separation of politics from policy making—the latter conceived as a largely private, specialist and technical activity—with the mobilization of consent remaining the task of the formal representational system where parties predominate.⁵¹ This structure worked when political parties could cash their formal status in political influence. But the proliferation of interest groups and issue movements has qualified the authority of the parties and contracted their reach. Globalization creates the need to alter established patterns of private sector activity by reconfiguring established policy frameworks (for instance, withdrawal of benefits and privileges from certain sectors) as well as to mobilize ad hoc networks of interests to respond to new needs and opportunities. Both these activities require effective governments. Government not only needs a capacity for clear strategic analysis but also the ability to mobilize consent for what needs to be done. Yet interest groups and issue movements often thwart government plans.

The new right proposes contraction of the role of government as the way to destroy the power of interest groups, thereby to restore political authority.⁵² Further, based on the allocative efficiency paradigm, proponents of this approach argue restoration of

economic prosperity will follow virtually automatically. The experience of regimes in the U.K., the U.S. and New Zealand suggests that, even assuming its desirability, this political strategy will not be realized in practice.⁵³ Yet the evidence is not promising for the alternative, quasi-corporatist approach to interest intermediation currently practised in Australia—represented by EPAC, AMC and the various sectoral councils. Even in Sweden, and making allowances for the differences in political culture, corporatism has been found wanting as an approach to interest aggregation in the face of the competitive requirements arising from the internationalized economy.⁵⁴

If these observations are correct, new public-policy architecture will be required to deal with the new policy-making challenges that arise both from economic internationalization and internal value change. Whatever larger frameworks may be created to achieve interest intermediation and to build understanding of new issues—not only in established policy-making communities but also to create new contingent linkages across established communities—think tanks are bound to play a key role. The ability both to create and to apply knowledge holds the key to political and economic success in the later twentieth century. Think tanks will be critical institutions in both these tasks. But they cannot perform them alone. The unanswered question, towards which this survey points, is what new political architecture will be created in Australia to link better power and reason? Despite evidence of its present fragility, the question of how to make reason authoritative has yet to be recognized as a primary concern—a prelude to even the possibility of a satisfactory answer.

Notes

1. More detailed research than has been possible for this study would be required to test how well individual research organizations have anticipated emerging issues in their area of responsibility and to evaluate the analytic quality of their response. Some of the needs and difficulties are suggested by James L. Sundquist, "Research Brokerage: The Weak Link", in L.E. Lynn (ed.), *Knowledge and Policy: The Uncertain Connection*, (Washington: National Academy of Sciences, 1978); opportunities for think tanks are suggested in R. Kent Weaver, "The Changing World of Think Tanks," *Political Science and Politics*, September, 1989, pp. 563-577.
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9. *Economic Round-up*, January, 1990.
10. Industries Assistance Commission, *Annual Report 1988-89*, Australian Government Publishing Service, Canberra.
11. See, for example, my study of the different phases of policy making, and their different characteristics, in the attempt to alter the assets tests, "The Assets Test: A Case Study in the Politics of Expenditure Control," *Australian Journal of Public Administration*, Vol. XLIV, No. 3, September 1985, pp. 197-220.
12. Ian Marsh, "The Prospects for Political Realignment," in *Australia Can Compete*, (Melbourne: Longman Cheshire, 1988); also Ian Marsh, "Issue Movements, Australian Writers and the Decline of Two-Party Politics," *Canberra Bulletin of Public Administration*, August, 1989.
13. "Agenda Settling in Australian Politics," *Australian Quarterly*, Vol. 61, No. 2, pp. 229-242; see also Clause Offe, "New Social Movements: Challenging the Boundaries of Institutional Politics," *Social Research*, Vol. 52, No. 4, 1985; Dennis Altman, "The Personal is the Political: Social Movements and Social Change," in Head and Waters (eds.), *Australian Society*, (Melbourne: Oxford University Press, 1988); Belinda Probert, "Social Movements and Socialism," in David McKnight, *The Future of Socialism in Australia*, (Pluto Press, 1987); Christine Jarrett and Randal Stewart (eds.), *Politics of the Future*, (Melbourne: MacMillan, 1989); Kay Lawson and Peter Merkl (eds.), *When Parties Fail, Emerging Alternative Organisations*, (Princeton University Press, 1988).
14. See also Peter Drysdale, *International Economic Pluralism, Economic Policy in East Asia and the Pacific*, (Sydney: Allen and Unwin, 1988), especially pp. 9-14, Preface.
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Hong Kong

Globalization, Governance and Think Tanks: Two Case Studies from Hong Kong

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As a trading and export-oriented industrialized city-state, Hong Kong has long appreciated the importance of maintaining its global competitiveness. Even at the street level, people know that a vital element of "globalization" is keeping products competitive in world markets. Being one of the few economies that experienced sustained high GDP growth rates through the late 1970s, Hong Kong was confident of its ability to deal with uncertainties and take up new challenges. The government practiced a positive non-interventionist policy and strongly believed in the power of the invisible market forces. Many regarded that practice as the key factor in Hong Kong's economic success.

However, belief in market forces rather than state intervention or planning undermined the importance and need of strategic research. This was clearly reflected in the underdevelopment of research facilities at local universities, the government's reluctance to contribute to research projects, and the total absence of both public and private think tanks in Hong Kong up to the mid-1980s. Hong Kong's sustained economic success reinforced the argument for a minimal state. Satisfied with growing affluence, rapidly expanded educational opportunities, improved medical services, better infrastructure, and affordable housing, the society was very stable and the public supportive of the government's approach to economic management.

In sharp contrast with earlier periods, Hong Kong has encountered a lot of difficulties, both internally and externally, since the early 1980s. With growing uncertainties associated with its scheduled return to China in June 1997, the restructuring of the political power centre with an increasing number of members of the Legislature returned through elections, the continued mass emigration and depletion of much-needed human capital, the swift demoralization of the civil service, the enlarging technological

lags with economic competitors, the enduring industrial colonialization, the threat of bloc-based protectionism, the coming of the Asia-Pacific age, and finally the collapse of Eastern European communism—Hong Kong suffered immensely from a lack of self-confidence. A sense of siege penetrated the hearts of all her residents. Despite their long-held acceptance of non-interventionism, the people of Hong Kong began to question the government's ability to cope with the uncertainties, take up the new challenges, and provide new directions. Eventually, this concern and impatience also spilt over to the elite stratum.

Disappointed by the government's sluggishness in responding to their demands, the private sector expressed the need for strategic research into those problems that have direct implications on Hong Kong's global competitiveness.¹ This development was followed by the government's decision to set up a Committee on Science and Technology and a Central Policy Unit and an attempt to revitalize several other policy advisory committees.² Despite their organizational inertia, the university communities were also forced to respond to these new challenges. This was clearly reflected in the formation and restructuring of research centres at the new tertiary educational institutes and the two universities in the late 1980s.³

The emergence and proliferation of think tanks in Hong Kong is thus a relatively new phenomenon emerging in response to the uncertainties and difficulties of global competition. As such, it would be premature to give a firm assessment of their success or failure. It would be more sensible to focus on the issues newly-formed think tanks have encountered in their formation. This, it is hoped, will provide empirical grounds for comparison with more institutionalized think tanks in the West or in other developing countries.

This study focuses on two think tanks—one financed by the private sector and one by the public sector. It will look into problems associated with their formation, their objectives, controversies surrounding the public acceptability of their funding, their organizational set-up, their use of expertise, their research programs, and their public outreaching strategies. As this paper is mainly concerned with globalization and governance, I deliberately have chosen think tanks that were formed to tackle the issues of how to maintain Hong Kong's global competitiveness, and which have a very clear mission to influence government policies and public perceptions. As most think tanks in Hong Kong are still in their formative years, I have chosen two examples for which there is enough information to comment knowledgeably on—the Hong Kong Foundation and the Committee on Science and Technology. The former is funded through private sector contributions and the latter is a public sector think tank, in which experts from outside government play an important role in setting the research agenda. As the research represented by this paper is still in a preliminary stage, the case studies presented here are inconclusive and should be treated as exploratory.

The Hong Kong Foundation

The Hong Kong Foundation (HKF) is a privately-funded, pro-business think tank. It was conceived, established and endowed by two key personalities within the colonial power structure. Established initially in late 1987 as the Hong Kong Economic Research Centre and renamed and formally established as the Hong Kong Foundation in 1988, its aim is to preserve those factors considered to be crucial to Hong Kong's prosperity and stability. Claimed to be well-financed, the Foundation has always been the focus of controversy. Despite its continued insistence that it is a think tank, HKF has failed to convince the public that it is not an embryo of a political party. It illustrates the problems faced by think tanks whose key sponsors are controversial political personalities.

Formative Background

As Hong Kong moved into an age of transition after the 1985 signing of the Sino-British Joint Declaration on the reassertion of Chinese sovereignty over Hong Kong, a number of self-proclaimed think tanks appeared. The Hong Kong Foundation is among these, but its ambiguous objectives have limited its subsequent development. Specific socio-political circumstances that led to its establishment help provide clues as to why it has evolved in this manner. These include the restructuring of the colonial power system, the government's incompetence with regard to leadership, and the anticipated populist participation in politics.

Before indirect elections were introduced to the Legislative Council in September 1985, it consisted of government officials and appointed "unofficials" (non-bureaucrats). Those who were appointed to the Legislative Council had usually shown their unshakable loyalty to the government in their work in different policy advisory committees or in the public service itself. Hence, the Legislative Council had always been perceived as a colonial club rather than a public forum. The situation changed drastically when elected elements were introduced. The colonial government recognized that it would be unrealistic to assume that the Council's operating mode could remain unchanged. Indirect elections had provided opportunities for the liberals, who had been politically marginalized in the colonial system, to return to the Legislative Council through the functional constituencies and electoral colleges. Subsequently, they formed a small liberal caucus, and being a minority they took a distinct populist stand, both within and outside the Council, and were considered the opposition. The conservatives, being loyal to the colonial centre, were more accustomed to a cooperative and supportive relationship with the administration. Gradually, however, they began to feel their status being threatened and they worried that the liberal caucus would eventually introduce policies that might seem unfavourable to the business sectors and weaken Hong Kong's traditional pro-market and pro-business environment. These concerns induced in the conservatives a sense of urgency to organize and protect their own interests.

Apart from the threat posed by previously politically marginalized groups, special political circumstances also forced the traditional pro-British core at the power centre to

undergo drastic changes. With the signing of the Joint Declaration, and the commencement of the drafting of the Basic Law (the mini-constitution that prescribes the systems to be practiced in Hong Kong post-1997), Hong Kong moved into an age of transition which will end with the reassertion of Chinese sovereignty. Keen to establish a pro-Beijing power core in Hong Kong, China worked hard in identifying and converting power brokers in the colonial centre. They finally succeeded in splitting the pro-British power core into a few competing patron-client sub-systems. One key figure, Maria Tam, took a rare high-profile in developing a quasi-political organization, expressing a clear signal that she was not to be neglected as a political power player. This move had a definite impact on Allen Lee, her contemporary and competitor, who was keen on becoming the senior member of the Legislative Council. The competition for influence and power prompted Lee to team up with his good friend and colleague, Stephen Cheong, to establish the Hong Kong Economic Research Centre/Hong Kong Foundation. (Subsequent references in this paper will refer to the Hong Kong Foundation.)

Although it succeeded in delaying the introduction of direct elections in 1988, the administration was quite ready to endorse them for 1991. The business sectors considered this a major deviation from Hong Kong's long-held practice of "administration-led" government. Capitalizing on the business sectors' fear of populism, Lee and Cheong openly advocated the organization of the business community. Meanwhile, they also secretly lobbied for financial support for the formation of the Hong Kong Foundation.⁴ Furthermore, despite experiencing high economic growth rates and a gradual recovery from the lack of confidence experienced during the Sino-British negotiations, the public was quite sceptical of the government's ability to cope with Hong Kong's growing economic problems. It was accused of lacking innovative ideas and failing to develop a long-term economic development strategy. This view was shared by the business community. Lee and Cheong fully exploited these issues and forcefully convinced Hong Kong's business tycoons to set up a private think tank.

Objectives

When think tanks are formed, it is important that their objectives are clearly spelled out, for they provide a basis for a public identification of their causes and an evaluation of their effectiveness. If the objectives are ambiguous, the think tank is bound to draw public criticism, thus weakening its public appeal. Ambiguities generally emerge in the early stage of their life cycle when their key actors are either uncertain of what to do, or simply have internal conflicts over their perception of the organization's objectives. The early history of the Hong Kong Foundation is an illustration of this point. From the very beginning, the project has projected an extremely unclear image. Although it claimed to be a think tank, it has always been considered the cradle of a political party Lee and Cheong have long intended to form and their base outside the colonial power centre. These ambiguities have been reinforced time and time again by conflicting interpretations of the think tank's objectives as given by its founders.⁵

At first glance, the objectives stated in the Foundation's official brief are highly respectable. They look no different from those of any independent think tank in the West. They claim to advance public knowledge and understanding of issues that affect the well-being of Hong Kong; to promote research, studies and discussion into such issues; and to encourage public dissemination of the results of such studies and discussions.⁶ Apart from emphasizing research and moulding public opinion, they also spell out clearly their intention to promote policy options that are based on well-grounded research.⁷ At one point, the founders pledged their commitment to model the Hong Kong Foundation after those American and European think tanks that bring top businessmen and academics together, saying that the Foundation should be an economic research institute with no political implications.⁸

The issue of objectives was in fact not as it seemed. Lee and Cheong spelled out a totally unambiguous yet somewhat different set of objectives when they marketed the idea of the venture behind closed doors with a group of business tycoons: the HKF was to be organized exclusively as the business sector's lobby. Such a hidden agenda was confirmed in a reminder signed by Cheong that was circulated to some 15 to 20 business tycoons who had committed to sponsor the venture:

We had the pleasure of having dinner with you a few weeks ago to discuss the need for the business sector to get organized in preparing for changes envisaged in the political structure of Hong Kong in the years to come Given the time constraint with district-based direct elections to the Legislative Council coming on stream in slightly more than two years, we are now ready to take the idea a step further. Our concepts (the nature, functions and structure of the Foundation) are briefly outlined in a draft enclosed for your perusal For the organization to function effectively, we initially estimate that an annual budget of between HK\$15 million and \$20 million is needed Your verbal commitment to support the project for at least three years has been most helpful and a contribution of at least HK\$1 million per annum from each of all those present at the dinner would give the right start ⁹

At one point, Cheong spelled out the Hoover Institute at Stanford University as his preferred model and advocated that HKF act as a clearing house of ideas to the government.¹⁰

Other than the contradiction between the Foundation's open commitment and its hidden agenda, Lee and Cheong's political aspirations further confused its objectives. At one point during the Sino-British negotiation, they publicly announced the intention to set up a political party in preparation for the forthcoming political changes. China was extremely nervous about the idea of party politics and openly opposed their development in Hong Kong. Under pressure, Lee and Cheong subsequently dropped the idea, saying that the political environment in Hong Kong was not yet ready for the rise of party politics. Nonetheless, they did not rule out the possibility of organizing a political party of their own in due course. Hence, when first announcing their plan to set up HKF, they were asked time and again if it was merely the embryo of their party.¹¹ Despite their constant denials, the media have never ruled out the possibility that the HKF was simply a strategic step in the direction of forming a political party. Nor has the Foundation been able to alter the public's perceptions of it as Lee and Cheong's personalized think tank.

Given these ambiguities, the Foundation seems to have a long way to go before its claims for objectivity, credibility and authority are recognized.

Funding and Its Secrecy

For many think tanks, their survival depends on the availability of funding. But for some, the problems really come from their reluctance to disclose the funding sources. With think tanks playing an increasing role in moulding public opinions, shaping policy options, and influencing government decision making, the public have become increasingly concerned about the nature of think tanks. Inevitably, the public wants to know who are behind think tanks and whether they are being manipulated by financial contributors. At the same time, contributors are often willing to pay, but reluctant to disclose their identities, and forced disclosure often results in discontinuity of contribution. The think tank industry is fully aware of this paradox. Nevertheless, the refusal to disclose one's funding sources frequently leads to public distrust, which seriously undermines the credibility and authority of the think tank's work.

When it was established in late 1987, its founders declared that they would fund the think tank out of their own pockets for the first year, and expected it to be supported through contributions for the coming years. Reflective of the flamboyance of its two founders, the Hong Kong Foundation's stated objectives were ambitious and grandiose. The founders wanted the Foundation to be like the Kaidanren in Japan.¹² To achieve this, Lee claimed that the Foundation would eventually recruit eight to 10 full-time economists. These experts would be assigned research tasks relating to Hong Kong's future development and present results, propose policy options, and ultimately influence both the public and the government.¹³ It was felt that the Foundation would require an annual budget of HK\$15-20 million. A project of such magnitude was beyond the financial capability of any single individual. Capitalizing on the worries of the business tycoons over political developments in Hong Kong and their reluctance to become openly involved in politics, Lee and Cheong pressed hard behind the scene on the necessity of organizing a pro-business lobby. Eventually they succeeded in convincing a sufficient number of tycoons to contribute to the venture.¹⁴ Although it welcomed formation of the Foundation, the media has nevertheless been extremely curious about its financing. Although Lee and Cheong admitted that they had succeeded in getting together some 15 to 20 tycoons who were willing to contribute about HK\$1 million each per annum for a period of three years, they refused to disclose their names. This reluctance has alienated the public, estranged the academics and provoked the media's scepticism.

A Think Tank Without Experts

Unlike political and bureaucratic organizations, the comparative worth of a think tank is generally measured against the quality and scope of its research, the relevance of its proposed policy options, and the public's acceptance of its recommendations. A think tank

is normally headed by a generalist or an expert-turned-generalist, but its core activities are always carried out by experts.

This pattern was not followed in the HKF case. In late 1987, the founders of HKF approached a number of former journalists and reporters working in the Government Information Services and recruited them to help organize the think tank. The group subsequently formed the core of the Foundation's research team. When it was formally established in 1988, the founders surprised the community by appointing Henry Ching, a retired policy secretary, to be its first chief executive officer. Ching, a generalist who had worked in the government as a top-ranking officer for more than 20 years, was extremely experienced in a number of policy domains, and very well connected in the policy communities both within and outside the public sector.

Ching's appointment gave the community the impression that the Foundation was moving in the right direction. Meanwhile, the founders also indicated openly that the Foundation would try to recruit a team of economists as its research core. For reasons unknown, after a year in operation, the Foundation was unable to recruit any resident economists. Instead, its researchers have consisted mainly of young reporters and journalists from the political or economic desks of the major local newspapers. Due to their past experiences, the group as a whole have excellent news sense, and are capable of producing outstanding news analyses, features and editorial commentaries. Although these skills contribute considerably to the readability of the Foundation's publications, the reports are seldom based on solid research. This, of course, raises questions regarding the adequacy of the Foundation as a think tank. It is not unreasonable for the public to expect something beyond quality editorial commentaries from a think tank. Journalistic reports can never be used as substitutes for well-grounded research.

When asked, the management acknowledged the seriousness of their dilemma of being a think tank without experts. They admitted having difficulties in recruiting well-trained economists and experts in the main policy domains at a time when Hong Kong was experiencing a brain drain. They have made efforts to contact local academics and researchers, and invited them to work on collaborative projects funded by the Foundation. The responses to these invitations have not been encouraging. According to the former CEO, the Foundation does not rule out the possibility of operating through a process of contracting-out projects. It is clear, however, that the Foundation can't go too far if they fail to solve this paradox.

Programs of Research

The Foundation has so far produced only two independent studies on issues that have affected Hong Kong's long-term development. Both were done under its original name—the Hong Kong Economic Research Centre. The first one—which focused on government's role in the finance market—was carried out immediately after the 1987 stock market crash and during the government's consultation on the restructuring of the colony's finance market. It was presented in the form of a short position paper, and called

for the establishment of a financial market council. To the disappointment of many, the Foundation's argument was not substantiated with in-depth study of the industry.¹⁵ Nevertheless, the proposal still enjoyed favourable assessment from the public.

In early 1988, when the public was looking seriously at importing labour in response to severe shortages, the think tank commissioned a management lecturer from the University of Hong Kong to examine this issue. On the basis of his research, it held a press conference and released a preliminary report.¹⁶ The report called upon government to pay close attention to the problems of labour shortage and its potential impacts on the economy. Other than these two reports, the Foundation has not launched any in-depth studies on issues affecting Hong Kong, mainly because of its lack of expertise.

Since its formal establishment, the Foundation has launched a number of publications, including a regularly released pamphlet. The pamphlet comes out about once a month and contains well-thought out comments in response to key issues or events. Despite being quoted periodically, these editorial commentaries fail to provide one with a substantive understanding of the issues.

A Brief Concluding Remark

In summary, it would be premature to conclude that HKF has succeeded in institutionalizing itself as a think tank. It was formed out of extremely complicated political circumstances and its founders have been quite ambiguous in defining its mission and have failed to dispel public distrust concerning its funding. These factors have weakened its much-needed public acceptability. In the process of its formation, the Foundation succeeded in defining its policy audience, but unfortunately it has failed to develop a core of experts to carry out its mandate. It wants to influence government policies but has not been able to develop a solid research program. Finally, it intends to inform the public of current issues, but lacks the substantive work to do so. Thus, it presents uniquely the dilemmas that a think tank without experts is bound to face. In the years ahead, unless the Foundation can take a more aggressive approach in building up its research core and recruiting a well-respected expert as its institutional head, its chances of becoming "the think tank" in Hong Kong are extremely remote.

The Committee on Science and Technology (CST)

The Committee on Science and Technology (CST) offers an interesting case of a think tank that is funded through public finance. As a policy advisory committee, it was formed in April 1988 in response to growing public concerns about Hong Kong's declining global competitiveness and failure to exploit science and technology for commercial purposes.

From the beginning, CST has been given direct access to the top policy-making circle, ample resources to deploy needed expertise, and key figures in the field as its members.¹⁷

Formative Background

Up to the early 1980s, Hong Kong, Singapore, Taiwan and South Korea all experienced a prolonged period of sustained economic growth. As a group, they have been classified as Asia's newly industrialized countries (NICs). Metaphorically, they have been commonly identified as "the four little dragons." However, their traditional comparative advantages, such as cheap labour, abundant land and good infrastructure, deteriorated in the early 1980s as more and more economies on the Pacific rim took an active part in the new international division of labour. To maintain their competitive advantages, Korea, Taiwan and Singapore launched new industrial strategies. In the early 1980s, while Hong Kong was totally preoccupied with the Sino-British negotiation over its future, its three competitors were struggling hard to implement major structural economic readjustments. Apart from diversifying their economies and external markets, they came to recognize industrial upgrading as absolutely vital in the new round of global competition. Hence, they started downsizing their labour-intensive industries and identifying high-tech industries as their new focal areas of investment.¹⁸ In nearly all cases, national governments played a pivotal role in devising strategic and pragmatic science and technology policies for industrial upgrading. The phenomenal economic growth they have subsequently experienced throughout the late 1980s clearly reflects the success of these policies.

With the Sino-British Joint Declaration signed in early 1985, Hong Kong gradually recovered from the detrimental political shocks it experienced during the negotiation. The community became convinced that Hong Kong's ultimate claim to greater autonomy under Chinese rule would depend very much on its ability to maintain sustained economic success. Hence, the focus gradually shifted again to the search for economic fundamentals. In the process, Hong Kong found itself lagging way behind the other three little dragons, particularly in the commercialization of science and technology. Criticism was directed at the government's failure to provide Hong Kong with a long-term industrial strategy. Increasingly, the government was urged to take initiatives in assessing the relevance of science and technology in Hong Kong's global competitiveness, and to devise corresponding policies and strategies.

In response, the government at first stood firm on its conventional non-interventionist position, saying that it was not prepared to promote or subsidize any particular industry. Subsequently, the government softened its position somewhat, and actively explored the idea of creating a science advisor post in the Government Secretariat to handle issues and policies related to science and technology. After years of assessment, it decided against a science advisor. Instead, the government argued that "as our industry, economy and society become more complex and sophisticated, we need to pay more attention to the part that modern science and technology can play in further

development." Finally, the Governor took a step and proposed setting up a Committee on Science and Technology by April 1988.¹⁹

Objectives

In line with government's practice, the terms of reference of government boards and committees are generally written very clearly. That is intended to provide them with a totally unambiguous domain of work. As a public think tank, the government has given CST four clearly defined responsibilities. First, it is entrusted to examine scientific and technological issues with a view to producing ideas which are of direct and practical relevance to the circumstance of Hong Kong, or of potential long-term benefit to the economy. Second, where and when appropriate, CST should recommend to the Chief Secretary specific action to be taken by the relevant government department or agency for the development and application of these ideas. Third, CST should advise the government on the infrastructural support required for the development and application of science and technology in Hong Kong and on the best means of providing such support. And finally, CST is responsible for organizing conferences, exhibitions and other programs to promote scientific and technological development in Hong Kong.

Composition and Structure

Similar to most policy advisory committees, CTS is small and highly elitist. But it differs from other committees on two counts. First and most important, in its early days, the Committee reported directly to the Chief Secretary rather than to the relevant policy secretary, as is the case of most policy committees. Second, members are chosen solely on the basis of their academic, business and professional qualifications rather than their political connections. The Committee is chaired by a Legislative Councillor who is also the Dean of the Science Faculty at the University of Hong Kong. Half of the 16-person committee are heads of relevant policy branch and government departments and the rest are either heads of academic institutions, professional bodies or big business firms. The unofficial core, as a whole, has a very strong science and technology bias, though a substantial portion of the Committee's work is more closely related to the domain of economics and business management.

As outlined earlier, the decision to establish CST was rather political. Initially, the government did not seem to have a clear idea of how and where it should be placed. As a temporary measure, it decided to put CST in the Chief Secretary's Office, and it was serviced by a secretariat provided there for it. But after a year of operation, it became clear that its work fell within the domain of the Trade and Industry Branch (TIB) where it has subsequently been permanently located. TIB is responsible for providing CST with a secretariat under the direction of a subject officer. The work of the secretariat is largely

administrative and secretarial, and does not involve the provision of technical and expert support. Surprisingly for a committee like CST that stresses research, it has never been assigned any research staff. Instead, CST has adopted a strategy of contracting with consulting firms.

Despite being clearly specified, CST's terms of reference are very broad. To begin with, the committee had to identify its focus, outline its priorities and devise its organizational structure. After months of discussion, the committee finally identified information technology (IT) and bio-technology (BT) as their top concerns, and decided to set up two sub-committees to deal with them. To further enhance their work, CST is allowed to expand its membership and it has coopted a number of outside experts from the business community as members. Unlike the main committee, its sub-committees are more specific in their work schedule. The Sub-Committee on Information Technology is given three responsibilities. First, it is charged with the duty to review the current development of information technology in Hong Kong, both in relation to the production of information technology products and the application of information technology in the industrial, commercial and service sectors. Second, it is entrusted to identify the specific issues which merit examination, including the future potential for the application of information technology and the products of information technology. And finally, it is responsible for making recommendations on appropriate courses of action arising from detailed examination of the issues.

On the other hand, the scope of the Sub-Committee on Bio-technology is not as broad. It has been assigned two duties. First, it has been asked to investigate the potential for the emergence and growth of industries dependent on bio-technology. And second, it is required to advise CST on the infrastructure, resources and technical support required for the development of bio-technology in Hong Kong.

Programs of Research

The clearly specified terms of reference are very instrumental to the work of the sub-committees. In 1989/90, the Sub-Committee on Information Technology (SCIT) took up four major study programs. They include studies on super-computing, computer manpower shortage, development and application of IT services and policy, and electronic data interchange. As mentioned earlier, CST does not have any resident research staff. This creates an obvious problem when they decide to take up a research project. To address this problem, CST has adopted two approaches: contracting with outside consultants and the utilization of relevant, available reports. In the case of the first three projects mentioned above, CST has decided to contract with a consulting firm and, to maximize resources, the three programs were combined into one HK\$2.4 million contract with BIS Mackintosh, in collaboration with Harwell Laboratory UK and Research Asia Ltd. The consultancy, a "one-off" project, only lasted for six months. In submitting its report, BIS recommended against the installation of a super-computing facility in Hong Kong for the time-being, but advised that Hong Kong should actively consider the issue

again in due course. In the case of the information technology environment in Hong Kong, BIS concluded firmly that:

Hong Kong is at the crossroads regarding a successful IT future; manpower and skill shortages are beginning to be felt and will undoubtedly become serious without early attention. Users and vendors of IT products and services both request more focused government assistance in the education, training and re-training of an increasingly rare resource—Hong Kong's resident IT-literate work force.²⁰

BIS also made a wide range of recommendations and called for more studies by consultants. As CST has only recently received the report, it will take some time for it to digest and assess its recommendations before submitting their proposals to the government.

Amazed at Singapore's achievement in electronic data interchange (EDI), CST, instead of contracting with a consultant, decided to conduct a brief review on the subject on their own. They ended up writing a report advising the Chief Secretary of the potential benefits of EDI in terms of faster, more accurate and less labour-intensive processing of trade documentation. They further stressed the risk of invisible barriers to trade if Hong Kong lagged behind her trade partners in developing a EDI capability. The report identified a number of key issues that should be tackled including the regulatory and legal framework, data standards, security concerns and the role of the government. In response, the administration acknowledged CST's contribution and indicated that a private consortium called TRADELINK was completing a similar study. The administration further committed that their proposals would be considered together with the recommendations contained in TRADELINK's report. Following the government's reply, the Committee held both formal and informal discussions with TRADELINK and subsequently endorsed a report that clearly recommended a role for government in the development of EDI in Hong Kong. The report was finally submitted to the Chief Secretary in March 1990. The report recognized:

The increasing importance of EDI to Hong Kong, and the critical nature of Government's role in stimulating EDI uptake through electronically handling trade documents that relate to Government activities and responsibilities. Key issues addressed included the need for Government systems to carry out such processing, the formation of a EDI Council, and the need to keep the scope of EDI efforts to a manageable level in the initial period.²¹

In 1989/90, the Sub-Committee on Bio-technology (SCBT) was not as active as it was in the previous year. In 1988/89, SCBT completed a review on the current state of commercial exploitation of bio-technology and found that industry in Hong Kong was not using bio-technology to any significant degree. Furthermore, the report noted that while there was some bio-technology-related research being undertaken in Hong Kong, it was not, in the main, directed at commercial application. Convinced that Hong Kong could develop a viable presence in bio-technology, SCBT submitted a report to the Chief Secretary that called for the government to fund a comprehensive study. The report recommended that consultants review Hong Kong's scientific and industrial bases, technology transfer, financing mechanisms, and regulatory and patent protection arrangements as they related to bio-technology; explore the scope of possible interactions

with China and other neighbouring countries; conduct a special analysis of the potential for collaboration between Hong Kong and U.S. firms; identify possible market niches for Hong Kong firms; and assess whether there could be a viable bio-technology industry in Hong Kong, and if so, what steps were necessary to bring it into being.²²

Staff and Funding

Similar to most policy advisory committees, CST is provided a secretariat by the government with a senior ranking branch officer as its administrative head, but it differs in the way that the administration provides it with funds to conduct its research. Compared with other government policy committees, CST is resource rich. Its funding is derived both from public and private contributions. In its first year of operation, the Royal Jockey Club of Hong Kong gave CST HK\$3 million to allow it to hire consultants to do the groundwork. The government further contributed another HK\$2.5 million to hire consultants to conduct research on IT manpower shortage and the need for supercomputers. Government departments also provided some manpower resources for research projects, although this was done only on a limited scale as most departments were over-committed to other ongoing public projects.

Cooperation with Other Research Institutes

From the beginning, the government fully recognized the need to involve local polytechnics and universities with the work of CST. Hence, the administration appointed Professor Poon Chung-kwong, the Dean of the Science Faculty at the University of Hong Kong—who also concurrently serves as a Legislative Councillor—as the Committee's first chairman. Moreover, a couple of senior academics from other institutions were also included as members. Such a cooptation strategy has become a dominant feature in membership recruitment for CST's sub-committees and work groups. The individuals are recruited from various institutions, but generally they are informed of the personal nature of their appointment so as to ensure that they do not represent their respective institutions while attending the meetings. This appointment strategy has succeeded in widening the net of expert advice, but may not be able to secure the necessary institutional support. Appointed on a personal basis, individual academics can hardly feel comfortable in exploiting their institutional affiliation and resources to the benefit of the committee. Neither would the institutions feel obliged to support their employees in this work.

Despite its heavy reliance on in-depth studies, the Committee has not been assigned any resident research staff. To ensure its smooth functioning, it contracts with outside consultants. Although this provides it ample opportunity to develop collaborative research with the local polytechnics and universities, the Committee is more inclined to

favour international consulting firms over local ones. It has not made any effort to ensure that research institutes at the local polytechnics and universities benefit from Hong Kong's growing need for consultancy. This is a major area which the Committee should reassess when designing its future contracting policies.

Outreaching the Public

Insiders within the policy communities are aware of the Committee's influence on government's thinking, but the public has not been properly informed of its work. CST has made efforts to brief the press after their regular meetings, but for a subject of such importance and complexity, press briefings are far from adequate. Many of the studies are funded from the public purse and should be of general interest, but they have not been made available for public consumption.²³ This has weakened CST's position and influence with the public and, more particularly, the relevant policy communities. To redress this situation, CST ought to establish a publication program which includes making its annual reports, in-house reviews and consultant's reports more available to the public. This in turn will help generate public interests in the Committee's work.

A Brief Concluding Remark

The Committee on Science and Technology offers a unique model of a government think tank that has clearly specified objectives, a well-scheduled research program, a distinctly defined policy audience, a sound financial base, and good administrative support systems. Its core members are highly qualified in personal and professional capacities that are relevant to the Committee's work. However, as non-renumerated advisors, they cannot spare much time in its core activities, hence the Committee has to rely on the contracted services of outside consultants. In the short term, this might not be a bad option, but in the long run, it would be extremely expensive to rely solely on hired services from outside. Furthermore, despite its recognition of closer links with academic research institutes, the personal-capacity appointment system can hardly induce a much-needed institutional connection which would fully exploit the advantages of having academics serving as members. Ironically, government think tanks generally hold their meetings behind doors, and keep all issues and documents confidential, even though their work normally requires enormous social support. CST's efforts in promoting science and technology policies so far have not attracted sufficient public attention. This can be partially explained by its failure to release the highly valuable, publicly-funded consultant's reports. Unless a more balanced public outreach program is developed, the Committee's work is unlikely to be well received or fairly evaluated by the public. Furthermore, its efforts to promote the commercialization of science and technology are unlikely to generate sufficient communal responses.

Conclusion

In many countries of similar socio-economic standing, think tanks have already been relatively well developed. They usually have a very significant role to play in public debates, policy formulation and national agenda setting. The more institutionalized ones not only collect and analyze crucial socio-economic data, but more importantly, also serve as strategists for either the ruling party or the opposition. Hong Kong has lagged way behind in the development of such institutions. Its status as a colony, and its over-confidence resulting from a prolonged economic achievement may partially explain the absence of think tanks in Hong Kong up to the 1980s. The situation changed dramatically as Hong Kong moved into the early 1980s. It experienced unprecedented internal and external uncertainties associated with its scheduled return to China in 1997; the realigning of political power with increasing proportion of the legislature returned through elections; the continued emigration of high quality human capital resources; and the swift demoralization of its civil service.

The society and its ruling groups became less confident and increasingly nervous about these uncertainties. The long-held formula of success seemed unable to provide them with directions. It is under such unique circumstances that a sudden emergence of self-proclaimed think tanks occurred in the later part of the 1980s. Some are publicly funded and others are sustained through private contributions. Surprisingly, they are nearly unanimous in their claim to be concerned with Hong Kong's global competitiveness, and wish to offer their own formulae for its preservation. All of them are still in their infancy stage and are struggling hard to prove their usefulness. In this paper, we have presented two in-depth case studies and identified the problems they are facing. These cases, both representing a unique model of think tanks, suggest that most think tanks are hard hit by the lack of expertise, underdeveloped research infrastructure, limited vision, and in some cases, over-reliance on outside consultants to carry out their work. As these think tanks are still in their formative stage, it would be premature to conclude whether they will succeed or fail. But one thing is quite sure, in the years to come, Hong Kong will need more think tanks of different varieties to help solve those problems that are closely linked with its uncertain future. In addition to private contributions, these think tanks will need support from the government to help them institutionalize. Without it, it is very unlikely that they will survive.

Notes

1. Four non public-funded think tanks were formed around late 1987 and early 1988. They include The Hong Kong Foundation, The Hong Kong Economic Survey Ltd., The Hong Kong Centre for Economic Research, and The Hong Kong South-East Information Centre. The Hong Kong Foundation is examined in detail in this paper. The Hong Kong Economic Survey Ltd. is a non-profit, pro-business think tank established by business and civic leaders to deal with the economic future of Hong Kong. The Hong Kong Centre of Economic Research is housed at the Chinese University of Hong Kong, though organizationally not part of the University. It has a very specific pro-market audience and a well-designed research program, but has

limited financial resources. The Hong Kong South-East Information Centre—widely rumoured as a research arm of the New China News Agency (NCNA), China's official apparatus in Hong Kong—is concerned with the experiences of the four little dragons of the Asia-Pacific rim—Singapore, Hong Kong, Taiwan and South Korea.

2. The Committee on Science and Technology was established in 1988 and will be dealt with in this paper. The Central Policy Unit (CPU) was set up in April 1989. Despite its denial of being a think tank, it is widely believed to be the most powerful think tank in Hong Kong, advising the Governor, the Chief Secretary and the Financial Secretary. The author has attempted to find out what CPU has been doing, but due to the Official Secret Act, the interviews, despite being extremely interesting and revealing, were insufficient to provide a thorough configuration of it. Among the policy advisory committees revitalized by the Government are the Economic Review Committee (ERC) and the Industry Development Board (IDB).
3. The Chinese University is creating a Hong Kong Institute for Asian Pacific Studies by amalgamating the Centre for Hong Kong Studies and the Centre for Contemporary Asian Studies. The new institute is intended to be more policy oriented and has organized research into a number of strategic programs. As it is still in its infancy, it would be premature to make any substantive comments on its viability.
4. As evident from a letter from Cheong to the business tycoons, he and Lee had dinners for the purpose of organizing the business sector.
5. The media always classify HKF as a political organization, but both Lee and Cheong vehemently deny this classification even though, at times, Lee promotes the organization more as a political organization than a research institute.
6. Brief to the Hong Kong Foundation. An official guide to the nature, functions, and organization of the Hong Kong Foundation produced in April 1989.
7. Brief to the Hong Foundation, published in April 1989, outlining its purpose, work, and structure.
8. *South China Morning Post*, December 17, 1987.
9. Unfortunately, I have not been able to locate the exact date of the reminder and the list of tycoons, but I believe it was circulated around mid-August through early November 1987.
10. *Economic News*, December 28, 1989.
11. "March carefully that road to party politics," *South China Morning Post*, December 4, 1988; *Ming Pao*, December 4, 1988; *South China Morning Post*, December 6, 1988.
12. *Oriental Daily*, October 4, 1987; A similar point is confirmed and further elaborated in the *New Evening News*, November 2, 1987.
13. *Oriental Daily*, October 4, 1987.
14. *Oriental Daily*, October 4, 1987; *Hong Kong Economic Journal*, October 4, 1987; *Far Eastern Economic Review*, February 9, 1989; *Hong Kong Standard*, December 28, 1988.
15. *Ming Pao*, March 16, 1988.

16. *Hong Kong Economics News*, July 8, 1988.
17. Until very recently, Hong Kong did not have an elected legislature. The authority of its government mainly derived from Britain. As a colonial regime, the British Administration in Hong Kong has always been very concerned with the extent of its acceptability by the public. As a way to share its power with the community, the administration has worked hard to build up a system of boards and committees through which they recruit members of the public to give advice in certain functional domains and, in turn, to provide legitimacy for its ruling. The system works quite well, and has been praised as an outstanding model of legitimization through consultation or accommodation. For details, please consult Stephen Lung Wai Tang, *Legitimation Through Accommodation*, (Lima, Peru: Instituto Libertad y Democracia, June 1989).
18. The Hong Kong South-East Information Centre, a Beijing-funded think tank in Hong Kong, has produced a few in-depth studies of industrial adjustments that Singapore, Taiwan and South Korea made during the early 1980s. They include *The Developing South Korean Economy* (Hong Kong, 1989); *Towards a New Century's International Economy: Hong Kong's Economy at Turning Point* (Hong Kong, 1989). In 1989, economists in Beijing produced an outstanding treatment of the subject. For details, please consult Zhou Chien-ping and Zhu Yue Kuen (eds.), *The World Economy in the Age of Adjustment and Reform*, (Beijing: Economic Science Publishing House, 1989). Some of their arguments are quite similar to those found in Helen Hughes (ed.), *Achieving Industrialization in East Asia*, (Cambridge: Cambridge University Press, 1988).
19. Address by the Governor, Sir David Wilson, at the opening of the 1987/88 Session of the Legislative Council on 7 October 1987.
20. Executive Summary, Confidential Report on Hong Kong IT Environment and Manpower Needs, prepared for Committee on Science and Technology, Hong Kong by BIS Mackintosh Ltd., July 1990, p.27.
21. Para. 27, *Annual Report 1989/90*, Committee on Science and Technology.
22. Para. 33, *Annual Report 1989/90*, Committee on Science and Technology.
23. In contrast, unless its work touches on business secrets of specific companies, the Transport Advisory Committee, an influential government think tank on transport policies, has taken a more open attitude by asking the government to publish relevant consultancy studies, and make them available to the public. A typical example is the publication of *CTS2*, a consultancy study outlining the long-term transport scenario for Hong Kong. Experience shows that the more informed the public is the more receptive it is of controversial policies, and the more easily consensus is achieved.

China

The Globalization Challenge and the Role of Think Tanks in China

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The Irreversible Trend of Globalization

Although globalization and integration vary in concept, they imply the same thing—the internationalization of production and economic life that has occurred in recent decades.

There are two main factors which have promoted globalization. The first is the rapid development of international trade and investment since the Second World War. The growth of international trade has been faster than that of GNP, and the growth of international investment has been even faster than that of international trade. In this process, transnational corporations (TNCs) have played an important role. TNCs have enabled the international flow of commodities, capital and technical know-how. The second factor which has spurred on globalization has been developments in the areas of science and technology. The modernization of transportation and communication, as well as collection, processing, storage and application of information, has been realized by progress in science and technology.

The fact that international trade and investment have developed apace since the Second World War is well known. I would, therefore, like to comment on the role of science and technology in the globalization process.

The tremendous productive forces released by the scientific revolution have broken down national barriers. The output of modern production technologies often outstrip the demands of domestic markets and more and more product is sold to consumers in other countries. In competitive markets, advanced levels of technology and management, as well as a rational scale of production, are indispensable conditions to competitiveness. Therefore, many countries have accelerated their external trade and increased their

international investment activity and the development of transnational enterprises in a bid to ensure economic success.

At the same time, innovations in transportation and communications have facilitated the deepening and expansion of international division of labour. In terms of transportation, the progress of the shipping industry has stimulated international trade by providing safe and economical ways of transporting commodities in bulk, and has transformed the criteria for determining the location of certain industrial sectors. The development of the aero-space industry has similarly shortened the time and distance between places in the world, and we are now able to quickly transport people and goods in large quantities, thus stimulating commodity and service trade. With regard to communication, the technology which allows people to communicate by using satellites and submarine cables is well in place and serves an international system embracing telegram, telephone, television and image and data transmissions. In sum, developments in transportation and information technology have made the earth smaller.

Finally, it is important to note the potential impact of globalization on the decision-making processes of various countries. First, since global interdependence has greatly increased, especially in the area of trade, investment and finance, the policy of one country can affect that of another, and can even touch off a chain reaction. For example, high interest rates in America and its fiscal and trade deficits, and Japan's tremendous trade surplus and its policy of adjustment of industrial structure, have all imposed enormous impacts on other countries. Second, the importance of information, which defies national boundaries, as a critical component in decision-making is rising. Third, some problems—environmental protection and Third World debt for example—are shared problems and can only be solved by joint efforts.

In light of these developments it is, I think, not an exaggeration to say that globalization is an irreversible trend and the interdependence and contradictions between various countries have brought about the requirement for international and regional coordination and cooperation.

Globalization and China's Open Policy

No one country can develop if it alienates itself from the world market and closes its door to globalization. The speed of economic growth of those countries implementing an "open policy" is faster than that of those which do not. China is a good illustration of this point.

Since 1978, China has resolutely adopted the policy of opening to the outside world and restructuring its domestic economy. Since then, great achievements and progress have been made in economic development and improvement of people's living standards. The open policy is suited to the trends of rapid technological development and increasing globalization of economic and social life. China has thus absorbed and learned from foreign technology, investment and management in order to achieve its goal of modernization. In doing so it has also focused on its comparative advantages to develop its export

industries and actively participate in the international division of labour. At the same time, however, China must continue its efforts to be a full participant of the international community so as to play a role in maintaining world peace and stability.

China's open policy has borne favourable results. Its technological level has been lifted, it has sent thousands of students to study abroad, and foreign investment has reached approximately U.S. \$40 billion. (Although the "June 4th Event" occurred in 1989, the negotiated volume of investment with foreign traders for that year was U.S. \$5.6 billion, a 5.6 percent increase compared with the year before.) A large majority of Chinese people have benefited from and support the open-door policy and associated reforms. (It should be noted, however, that China's investment environment and legislative system still need to be improved.) For this reason, it can be asserted that the open policy will not be changed, although it is likely that mistakes will be made in the process of its implementation and a very small group of people will continue to oppose it.

Think Tanks and Their Activities

In China, think tanks can be classified as government institutions, independent research institutions, academic research institutions, research societies and private institutions. Each will be briefly described below.

Government Research Institutions

Government research institutions provide direct service to the government by formulating policies and implementation procedures, and consulting on specific policies. The majority of such activities are directly authorized by the government, either by the State Council or by individual ministries.

The State Commission for Restructuring Economic System

The main task of the State Commission for Restructuring Economic Systems is the development of proposals for economic reform in China and preparing overviews of world trends and international economic environments. It very often provides the justification of the feasibility, and information on the consequence, of certain reforms before they are adopted. The Commission has paid considerable attention to issues of globalization and the resultant impact for China's development. Many discussions and seminars have been held involving distinguished scholars. The Commission also makes international comparisons of economic reform.

The Research Centre for Development, State Council

The Research Centre for Development focuses mainly on social, economic and technological development and plays an important consulting role to decision-makers in the central government. The scholars of the Centre, by way of absorbing views from other institutions, make policy suggestions to the Chinese government. International viewpoints are gained by developing close relations with the World Bank, the United Nations Development Program (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Asian and Pacific Development Centre (APDC, Kuala Lumpur), and by holding international seminars.

Independent Research Institutions

Although the research of independent institutions is mainly authorized by the government, such institutions can also undertake their own research activities. The two most important independent research institutions are the China International Studies Centre and the China Institute of International Studies. The research projects of the former focus mainly on international studies, such as evaluating the world political situation for the purpose of making foreign policy suggestions to China's government. The latter Institute was founded in 1956 as the Institute of International Relations. It ceased to operate in 1969 as a result of the "cultural revolution" and when it began to function again in 1973, it was given its current name. The priorities of the China Institute of International Studies are international politics and the world economy, and its major activities are: research projects undertaken by individual scholars or small groups of scholars; seminars and workshops held at irregular intervals; and scholar exchanges with foreign research institutions and academic organizations. Research findings, apart from those for publication, are distributed to departments, organizations and other research institutions.

Academic Research Institutions

The Chinese Academy of Social Sciences (CASS) is made up of research organizations of various academic disciplines. CASS is under the State Council of the People's Republic of China. It has a president who assumes overall responsibility and directs the work of the Academy. The president is assisted in this work by vice-presidents of research and administration. CASS had more than 5,000 staff members in 1989, 4,000 of whom were professionals engaged in research or auxiliary activities such as editing, documentation, data translation and library and computer services. The more than 30 institutes within CASS can be divided into several study groups including the literary studies group, the historical studies group, the economic studies group and the international studies group. Each group consists of several institutes. For instance, the economic group consists of research institutes in basic economic theories, macro-economics and sectoral economics

(industrial economics, finance and trade economics, rural economics, quantitative and technical economics, and demographic economics). The international studies group consists of research institutes working on the global economy, polity, society and culture, and those specializing in various regions and countries of the world. Under each research institute there are a number of research divisions and sections, and editorial boards. In addition to the projects authorized by the state, CASS can also conduct projects for enterprises and companies, cooperate with international organizations and foreign academic institutions, and provide consulting services to other organizations and institutions.

Besides organizing its institutes to undertake a large proportion of the research needed to support the state's policy agenda, CASS organizes, in the light of its own need for development and the nature of the many disciplines involved in it, key research activities at the academy or institute level to be carried out in a five-year program.

Very often the economic studies group provide evaluations of existing policy and make policy suggestions for further reforms in publications or internally-circulated papers. One of the important objectives of international study groups is to explain the international political, economic and social environment China has to face. More concretely put, they must reflect on the opportunity and challenge for China's development and suggest appropriate policies or strategies for China's further opening to the outside world. The economic studies and international studies groups are the most important groups with respect influencing decisions related to China's modernization drive.

Investigation has been the basic approach of CASS' effort. In most institutes, research is done through fieldwork. To meet needs arising from China's modernization, investigation into special subjects or those of comprehensive nature involving national or regional issues—for instance, economic construction, rural development, social problems, population problems, ethnic relations, religious activities, educational conditions, the development of legal institutions and the mass media—have been widely conducted and are increasing in number. In formulating or evaluating development strategy, or in presenting policy-oriented research findings, these investigations provide the government and relevant departments with reference materials which may be the basis for policy decisions.

Exchanges between the academy and foreign academic institutes have been expanding. Each year, beside hosting numerous foreign scholars, Chinese scholars and specialists are sent, either through the academic exchange agreements already signed with 21 countries, or by invitation, on visits abroad or as participants in symposiums and joint research programs. Since the 1980s, more than 1,000 international academic exchanges have occurred per year. The economic studies groups and the international studies group are more frequently involved than other groups in international exchanges.

Another way of conducting international exchange is hosting seminars. For example, the Institute of World Economics and Politics (IWEP) has sponsored, co-sponsored, or participated in the following seminars related to globalization and, more particularly, international economic cooperation.

- Seminar on Asian and Pacific economies towards the year 2000, co-sponsored by the IWEP, the Research Centre of Development, State Council, and the APDC. Seventeen countries and areas were involved in this seminar, which was held in Beijing, November 1986.
- IWEP has participated in a series of seminars organized by APDC in Japan in 1988 and in India in 1990.
- IWEP participated in a symposium sponsored by NIRA (National Institute for Research Advancement, Japan) on North Pacific issues along with participants from the United States, Canada, Japan, South Korea and the U.S.S.R.
- Joint seminars on Northeast Asian economic cooperation, co-sponsored by IWEP, NIRA, and KDI (Korea Development Institute, South Korea). The first seminar was held in Japan in 1989, the second will be held in Seoul in 1991, and the last in China in 1992.

Research Societies

In CASS, at present, there are 114 affiliated national social science societies and associations, such as the Chinese Society of World Economy. These learned bodies play an active role in establishing contacts between China's social science communities and government departments at different levels, as well as conducting academic work and giving impetus to development in other fields of scholarship. Besides some subsidies from CASS, these societies are self-funded research institutions. They not only provide remunerative advisory service, but also participate in activities with other institutes.

Private Institutions

In recent years, some private research institutions, such as the China Development Institute (CDI), have been established. They are self-funded and the majority of staff members have other jobs as well. The private institutes provide compensative research service to other institutions.

The Impact of Think Tanks

In China, the role of think tanks is more universally called the exertion of the role of intellectuals. There is no doubt that China lags far behind developed countries in terms of modern science and culture. About one-fourth of China's population is illiterate.

China's intellectuals should and could play a greater role in promoting learning. In the 1950s, Mao Zedong once put forward the policy of "letting one hundred flowers blossom and hundred schools of thought contend" in a bid to enrich China's culture and art. It is regrettable that this policy has not yet been implemented satisfactorily. Unremitting political campaigns have impeded the intellectuals, especially those who engage in literature, art, and social sciences, from playing an appropriate role. Under the condition of class struggle, the intellectuals had no end of misgiving, since they were usually linked with the bourgeoisie. Furthermore, opinions and viewpoints of intellectuals differentiating from the current government policy were viewed as heresy and criticized.

The turning point was achieved, however, in the late 1970s with the implementation of the reform agenda. Since then, the role of intellectuals has increased, as evident by the improvement of their social status and their living and working conditions. The factors that have given rise to these changes are as follows. First, to meet the needs of the reform and open-door policy, and the increasing demands of information, China must both understand the external world and strengthen the study of its domestic situation; all of which requires intellectual effort. Second, the proposition advanced by Deng Xiaoping that "intellectuals are one part of the working class" has won nation-wide support, which has created a favourable environment for intellectuals. Third, "democratization and scientification of decision-making" has been advocated by the central government and has further pushed forward the development of academic research work. Finally, numerous academic research institutions and advisory bodies have been set up.

In the last 10 years, China's social science researchers have conducted a large amount of research on the problems of the international environment and China's economic and political reforms. Their reports have put forward many good suggestions. Not all government decisions can be attributed to the research achievements made by the intellectuals, since the intellectuals are after all not decision-makers (as the saying goes, "God is God, and Caesar is Caesar"), but one can hardly deny that the research achievements of the social science workers have exerted considerable impact on the government decisions.

I would like to illustrate the impact of the intellectuals by pointing to their contributions in the following policy areas.

- Another World War?

Prior to the 1970s, China's perspective on the world situation was dominated by the idea that another world war was unavoidable. Therefore China dared not invest in its more geographically vulnerable but developed, coastal, industrial areas. After 1978, more and more research reports proved that war was not unavoidable, since peace could be maintained by joint efforts of all people of the world. They also demonstrated that world peace was conducive to China's four modernization drives. The reports noted that peace and development were important contemporary global themes and that China should introduce as much foreign capital and technology as

possible, and should focus this investment and alter the structure of industrial sectors in its coastal areas. Evidently, the decision-makers accepted these ideas.

- **Suggestions on China's reform of economic structure**

Chinese intellectuals have made a number of important theoretical studies on economic reform. For example, they have repudiated Stalin's dogma that socialism is not compatible with a commodity economy. They have expounded that market regulation should play its full role under the guidance of planning in a socialist economy. Intellectuals have aired their suggestions and opinions with regard to the implementation of economic reform in order to provide input to the decision-making bodies.

- **On the development of a multi-ownership system**

Many scholars have maintained that with the current level of productive capacity, and under a condition of dominant public ownership, China should adopt a policy which allows for multi-ownership, which will in turn allow private initiative to play an active role. These suggestions have been influential on recent government decisions.

- **On the introduction of foreign technology and capital**

Chinese scholars have put forth many influential suggestions on the scale and pattern of introduction of foreign technology and capital, as well as on the introduction of associated legislation. They have also submitted numerous useful medium- and long-term forecasts on the world economy and trends of world industrial structure.

- **Participation in mapping out China's medium- and long-term development plan**

Many intellectuals who engage in multi-disciplinary research (including both social sciences and natural sciences) have participated in preparing recent five-year plans, the Plan of China's Industrial Structure Adjustment, and the Program of China Toward the Year 2000. The result of this participation has been favourable, and has led to government adoption of some of the intellectuals' suggestions.

From the aforementioned examples, we witness that Chinese scholars and researchers have actually played a role in government policy-making. Although there is still much work to be done in creating a receptive environment for hearing the opinions and suggestions of scholars, the climate for such dialogue is much more favourable than ever before. While it is true that Chinese intellectuals have not played a large role compared with intellectuals in other countries, their contributions are becoming increasingly important.

The Future of Think Tanks

The experiences of China's reform and modernization process have shown that think tanks have played very important roles. But in the future, they should and can play a more active role. China is a developing country and many social, economic and cultural problems remain to be resolved. In this regard, meaningful and fruitful reports from think tanks are necessary, and decision-makers must listen to the suggestions and points of view contained in them. Domestic political and economic reform in China is an unprecedented, complicated matter. The success of reform cannot be achieved without the participation of think tanks. At the same time, China must respond to the progress of globalization and rapid changes of the world economy and international relations and the work done by think tanks is an important contribution to this response.

Finally, as a member of a think tank, I have a strong wish that the Chinese government should give greater support to the development of social sciences so as to improve working conditions in think tanks and create more opportunity for international exchange.

Philippines

Think Tanks' Response to Governance Amidst Changing Political Setting and Growing Globalization: The Philippine Case

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Introduction

With globalization now becoming more and more a part of governments' concerns in terms of planning and formulating policies for development, there is a need for national leaders and policy-makers to examine closely their policies and existing structures to see how they respond to the issues being ushered in by the globalization process. Steeped as governments are in everyday operations of governance and "firefighting" tasks, however, chances are that their vision may be hemmed in by day-to-day problems, bureaucratic manoeuvrings and matters of political survival. As such, separate bodies or entities that are sufficiently detached from the rigors of everyday governance are certainly welcome to assist governments in facing up to the new global challenges.

So-called "think tanks" are in a good position to offer such help and influence (defined here to include non-profit policy institutes, academic centres devoted to policy studies, and government sponsored policy research centres). Being permanent organizations with a certain degree of independence from government, and being outside the realm of governments' administrative responsibilities, they are able to both relate things as they "impact" on one another, and not simply as an isolated string of actions, and to see things in a longer-term perspective. However, notwithstanding this advantage, the usefulness of think tanks may vary, depending on their set-up and operations, as well as on their setting in the political environment.

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It is in this light, that this brief paper aims to document the role and experience of think tanks in the Philippines—with special reference to the Philippine Institute for Development Studies (PIDS)—in influencing national policies to meet existing and future challenges, including those of a global nature.

The Political Setting and the Response of Think Tanks

1986 was a watershed in Philippine history. It marked the downfall of a regime which, for many years, had stymied the growth of democratic institutions and exerted heavy pressures on the country's economic, social and political development. It also saw the rebirth of democracy in the Philippines, as well as the emergence of new actors in the decision-making process.

The change in the political environment in the Philippines meant several things. One, it brought the country to the centre of an arena where nations of kindred political beliefs would contribute support and resources to ensure that the democratization process in the Philippines, via a rebuilt economy, would proceed smoothly and be sustained over the years. Two, it brought to light the tremendous economic ruin suffered by the country and the gigantic task of economic recovery faced by the nation. Three, it underscored the need for the people and the institutions and organizations of the country to lend a helping hand to the political leaders in the big task of nation-rebuilding. And four, it brought about a new complexion in the decision/policy-making process.

For think tanks, there were opportunities galore for responding to the challenges brought on by such developments. In fact, many think tanks in the country responded by realigning their areas of inquiry with the new demands. The new political environment which offered more democratic space also saw the emergence of new think tanks.

One of the institutions which responded to the challenge was the Center for Research and Communication (CRC). Established in 1967, it is a private voluntary organization specializing in research, communication and professional training in economics, business, international relations, journalism and education. Its work stresses the development and strengthening of the private sector so that it can participate effectively in the development of the Philippines and Southeast Asia. And while its major clientele is the private business sector, it also conducts long-term, policy-oriented studies which are addressed to the nation's policy-makers.

CRC's creation of its Institute for International and Strategic Studies in 1987, was in direct response to the growing demands not only for more information about international developments and their impact on the Philippines, but also for strategic studies that would help the country position itself, especially its business sector, amidst various risk situations both in the world and local scenes. Although the setting up of such a unit within CRC had long been on the drawing board, the political events and associated concerns in the Philippines in 1986 accelerated its formation. This Institute tried to address various topics relating to the Association of Southeast Asian Nations

(ASEAN), investment, Philippine-Japan relations, balance of power, developments in the Asia-Pacific region, insurgency on the domestic front, and the labour situation as it affects the investment climate.

Another privately-funded institution that may be considered a think tank is the Philippine Council for Foreign Relations, Inc. Created in 1985, the Council aimed specifically to provide assistance to the government in its formulation of foreign policies by way of facilitating the exchange of information and ideas on foreign relations and developments. With funding from private entities, the Council publishes a quarterly journal called the *Foreign Relations Journal* and comes up with occasional papers. It likewise conducts monthly fora on topics relating to foreign relations and international developments and organizes roundtable conferences for visiting scholars.

In response to events in and out of the Philippines after 1986, the Council also started studies on new areas like the Philippine Assistance Program (PAP)—a mini Marshall-like program of assistance to the Philippines to help rehabilitate its economy—and the future of the U.S. military bases in the Philippines. While it does not come up with specific positions on issues, the Council nonetheless hopes to be able to influence government foreign policies through the insights and perspectives provided by new and additional information.

Universities are natural reservoirs of research talent and capabilities. The University of the Philippines has, over the years, been instrumental in the promotion of the general progress of the nation. It has come up with studies that have helped in advancing the frontiers of knowledge. However, much of its studies have been confined to specific disciplines and have therefore been rather fragmented in responding to the needs of the policy-makers in their planning and decision-making tasks. With the rapid and interrelated changes in the national, regional and international environment, the university thus decided to respond more actively to the challenge of identifying and resolving the country's priority problems through the creation in August 1985 of an interdisciplinary and integrative policy-oriented research centre called the University Center for Integrative and Development Studies (UCIDS).

Its aim was to embark upon a new and systematic program of collaborative research in strategic areas of national concern. It hardly had taken off the ground, though, when the Philippine February Revolution of 1986 took place and a whole range of new challenges for policy research materialized. With a new university president inducted into office, a series of university-wide faculty consultations and workshops took place, resulting in a list of areas and subjects from which UCIDS derived its research agenda for the next few years. This agenda includes the fields of foreign policy and international relations and development, and specific social and political problems affecting the country, such as human rights and peace studies.

A relative newcomer in the roster of policy research organizations is the Philippine Center for Policy Studies (PCPS). Set up in 1989, it specializes in research, training and dissemination of information on Philippine political economy. Created several years after the 1986 Philippine Revolution, PCPS was born amidst an environment which was more open to alternative approaches and points of view in handling some of the country's

problems. Accordingly, its mandate states that PCPS will seek to contribute to the design of alternative and progressive socio-economic development programs. In doing so, its social scientists put their expertise in the service of people's organizations, non-governmental organizations and policy-makers. This aspect differentiates PCPS from the other research institutions in that it recognizes the significance of groups that rose into prominence after the 1986 Revolution—people's organizations and non-governmental organizations—and considers them as its major audience. In addition, the growing complexities of the country's problems provides a reason for PCPS to adopt an approach of advocacy rather than a neutral or no-position approach usually taken by a think tank. It, therefore, assists people's organizations and alliances on specific policy questions either for their own advocacy programs or for experimental economic projects.

Although it is too early to make an assessment of its impact, since it is barely a year old, it is worthy to note that PCPS has nevertheless managed to come up with a fortnightly publication, *Issues and Letters*, which provides timely and clear-cut, progressive analyses of current public issues like the Philippine's external debt.

The above examples illustrate some of the responses made by various institutions to the challenge brought about by the chain of events in the national and foreign arenas. However, one institution that was particularly noticed for its direct and immediate response to the challenge is a government research institution doing public policy inquiry—the Philippine Institute for Development Studies (PIDS). As the nation started to rebuild its economy and plan for stable growth and development so that it could compete in the international economy, PIDS initiated a project that saw its resources pooled with those of other institutions to come up with a policy agenda for the country's economic recovery and growth. The result of this collaborative undertaking was the report entitled *Economic Recovery and Long-run Growth: Agenda for Reforms* which was immediately presented to President Aquino and her Cabinet. The report's recommendations were adopted in principle and later became the basis of a government official document entitled *Policy Agenda for People-Powered Government*. The latter, in turn, served as an input in the preparation of the Medium-Term Philippine Development Plan for 1987-1992.

Immediately following the submission of the policy agenda for economic recovery to the new government, PIDS also responded to the request of the Ministry of Agriculture and Food (now called the Department of Agriculture and Food) to come up with an agenda specifically addressing the needs of the Philippine rural sector. Collaborating with the University of the Philippines at Los Baos, PIDS came out with the report entitled *Agenda for Action for the Philippine Rural Sector*.

The relative ease with which PIDS put together those two reports in record time (about two months for each report), reflected its capability and flexibility as a research institution. Of course, the enthusiasm and willingness of the various writers of the two reports to contribute their expertise to the new administration was a dominant factor, but it nevertheless says much about the stock of knowledge built up through the years by PIDS research, as well as its linkages with other institutions and its administrative flexibility.¹

To illustrate these points, the following sections of this paper will look into the mandate, set-up, objectives and activities of PIDS, as well as its performance in terms of contributing to and influencing national policies. In addition, a later section will deal with the question of how well PIDS can respond to the new and future requirements of policy-making given its existing structure. The singling out of the PIDS experience in this paper is premised on the fact that its creation was in response to a need felt by the government to fill a vacuum that had not previously satisfied by other institutions. A look into how it has performed will, therefore, allow one to see the wisdom (or the lack of) behind its establishment. Finally, the issue of whether there is a need for an alternative set-up for PIDS—and how feasible this would be—will be tackled.

PIDS: Its Rationale, Mandate and Objectives²

The Philippine Institute for Development Studies was created in 1977 in response to the Philippine government's need for a research base for its development planning and policy formulation functions. This need became particularly pronounced during government planning exercises, especially in the formulation of medium- and long-term plans. While it was true that research was being done in various academic and private research institutions, and by the planning and research staffs of government agencies, the outputs were usually provided on an ad hoc basis and, more often, did not exactly match or fill in the requirements of government. Academe's research seemed to be fragmented, limited and narrow in scope due, perhaps, to the fact that researchers in academic institutions normally pursue their own research interests in a laissez-faire style, without a coherent program for putting them together. In addition, the limited interaction between researchers and practitioners in government (or those involved in development planning and policy making), did not allow much room for the dissemination and incorporation of the results of the studies into the planning and decision-making process. Only in recent years, as seen in the illustration of the UCIDS case, was an effort made to redress this.

Meanwhile, some government agencies commissioned academic-based researchers or private organizations to work on specific research projects or policy studies. But funding for this purpose was not always available and the red tape involved in contracting, following the usual government rules for auditing, did not offer much attraction for either of the two parties. Nor was the approach adopted by some government agencies to establish their own planning and research units sufficient to meet the growing demands for data and information in planning and policy making. This was not only due to financial and manpower constraints, but also to the demands of regular agency work; that is to say, involvement in short-term, day-to-day and ad hoc types of assignments, made inevitable the deferment of work on longer-term and strategic studies.

In an attempt to fill in this gap, the idea of creating a research institution was born. And on September 27, 1977, by virtue of Presidential Decree (PD) No.1201, the Philippine Institute for Development Studies was created.

The mandate given to PIDS was clear: to provide a sustained and systematic socio-economic research base for the planning and policy-making process and to establish a continuing channel of communication between researchers on the one hand, and planners and policy-makers, on the other.

The PIDS Character and Set-Up

Taking into consideration the difficulties encountered by some agencies in their earlier efforts to expand policy research, PIDS was vested with a corporate character, thereby providing it with more flexibility in its operations and giving way to minimal red tape procedures involved in contracting. PIDS was likewise given a considerable degree of financial independence through the establishment of an endowment fund, the earnings of which would serve as its main source of financing for its operation.

In terms of administrative set-up, while PIDS was functionally attached to the central planning body, the National Economic and Development Authority (NEDA), for policy coordination purpose, it was given a separate administrative authority with its own board of trustees upon whom rested the approving authority for its research agenda and for certain specific research studies. The current board is made up of the head of NEDA who chairs the board, one representative from government, two representatives from academe, and the President of PIDS. The inclusion of two members of academe in the present board is a departure from previous compositions wherein representation from the government sector was quite heavy. It is hoped that the presence of more academics and fewer government officials will further enhance PIDS' independence.

These factors helped in the expeditious administration of PIDS' research role and in the upholding of its independence in identifying and disseminating research results. The fact that it is functionally attached to NEDA provides it with a direct link to planning and policy making and keeps it attuned to their needs. This is important in facilitating the integration of research results in the planning process. However, this close association with NEDA has prompted criticisms from some quarters that PIDS studies simply follow the points of view of NEDA, to the detriment of other perspectives within government. More will be said about this later.

Also, the fact that it is mandated to establish contacts between researchers from the academic and research community, and practitioners in government, gives it the role of a broker in the overall issues inquiry scenario. As such, PIDS' performance through the years may be judged by the extent to which it has actually succeeded in assisting plan and policy formulation through the outputs of research.

Meanwhile, in order to enhance its responsiveness to changes in the socio-economic and institutional environment, the PIDS charter provides it with a broad range of research initiatives. The direction of such research is determined by PIDS' internal organization in close consultation with other sectors and with the approval of its board of trustees and guidance from its research advisory committee (RAC), which is an external

committee composed of internationally-known economists and social scientists. The role of the RAC in the drafting of PIDS' research agenda will be dealt with in a later section.

Finally, in view of the shortage of capable research manpower in the Philippines, it was decided to keep PIDS small. Since building a relatively large in-house research staff may only be done at the expense of the country's academic institutions and other private entities, the approach taken was to keep a small in-house staff, to be supplemented by outside researchers who are to be contracted with on a project-by-project basis.

Areas of Operation

PIDS' major areas of operation are: (a) preparation/formulation of the research program; (b) conduct and implementation of the program, including the monitoring of the progress of studies; and (c) dissemination and promotion of the use of the research outputs.

Preparation/Formulation of the Research Program

The need for sustained and systematic research to be used as a basis for planning and policy making, was highlighted during the planning exercises in government. The birth of PIDS has specific reference to the preparation of the Philippine Development Plan for 1978-1982. The inventory of development planning research issues compiled from the planning committees and subcommittees that participated in the Plan's preparation, the policy issues digested from various NEDA inter-agency committee deliberations, and the suggestions from members of PIDS' Board of Trustees, as well as from people in key government agencies, became the basis of the broad research areas initially identified by PIDS. The process of determining priorities was done on the basis of the relative importance of the policy area itself, and of the extent of attention and funding already given to a particular policy area. If a specific area of national importance has already been sufficiently addressed by other entities, then PIDS may decide not to focus on it, unless it is specifically requested by a government agency to do so.

In the next two or three years of its operations, PIDS further narrowed down and fine-tuned the various subject areas into what now constitutes its current research program: (i) employment, human resource development and technology; (ii) resource mobilization; (iii) agricultural and industrial development and trade policy; (iv) poverty, income and wealth distribution; (v) regional, rural and urban development; (vi) natural resource and environment management; and (vii) energy and electricity.

An aid in establishing its research program was the survey-type research initially done by PIDS to identify research gaps in certain areas and the convening of its research advisory committee for the first time in 1979 to review its research direction and activities. The Committee is made up of experts who are invited by PIDS to meet once every two years to provide guidance to its research course based on the country's policy scenario and external environmental demands. RAC links PIDS with institutions and

individuals abroad and to ongoing research affecting regional, subregional and global issues.

Although the above research agenda may be considered very broad, it allows for flexibility and comprehensiveness in responding to changing needs and in setting the operational research agenda on a year-to-year basis. This annual agenda would focus on the themes and recognize the priorities for each year's research thrust. In previous years, emphasis was given to the areas of domestic resource mobilization, and trade and industrial policies. Lately, however, there has been a growing emphasis on agriculture, natural resource management and human resource development, specifically health policies.

Studies with a global context, while still not very prominent in PIDS' agenda, are beginning to be encouraged. In this connection, a new tack in research approach was initiated. This was the inclusion of comparative studies of other countries' experiences in areas like tariff program or fiscal policies. Prompted by requests for comparative data to aid in the deliberations of policies affecting the country's international competitiveness, PIDS started to encourage studies on these areas, as well as collaborative studies with institutions abroad.

Over the years, and especially at the start of a new government in the Philippines which motivated PIDS to realign its research thrusts and operations to be able to respond better to new concerns, PIDS increasingly veered away from a project approach to research and towards a program approach. This meant the devolution of the burden of program development to the researchers. The process involved the specification of a research area by the Institute and the commissioning of a number of state-of-the-art reviews in that area among select researchers. A conceptual framework was developed to achieve a more systematic identification and prioritization of issues pertinent to the area and, consequently, the assignment of research topics to address such issues. Papers arising out of this activity were presented in workshops where representatives from government, academe and the private sector tried to reach a consensus on the program of research to be implemented. The approach was useful in getting the points of view of various actors, in addition to those enumerated in the current Philippine Development Plan.

Conduct and Implementation of the Program

The conduct and implementation of the program involves the identification and designation of the principal investigator, the development of the research project proposal, the conclusion of a contract or memorandum of agreement, the conduct of the research, the monitoring of its progress and the evaluation of the project's final report.

A key aspect in the success of a research project is the choice of the principal investigator, since the quality of the output will depend largely on that person. For planners and policy-makers to seriously consider PIDS' findings and recommendations, the researchers' competence or credibility must be beyond doubt. While PIDS maintains an in-house research staff composed of Ph.D. and post-doctoral degree holders whose expertise in their respective fields has been recognized, their small number precludes PIDS from engaging in many studies and research investigations. Thus, PIDS contracts

much of its research with researchers outside of the organization, most of whom are based in universities. The dearth of capable researchers in the country has, however, led to a situation where some researchers end up "overcommitted." PIDS has tackled this problem by tapping the assistance of the United Nations Development Programme in funding the hiring or commissioning of foreign scholars as visiting research fellows or researchers, and by supporting junior researchers like M.A. and Ph.D. candidates through their supervised involvement in major research studies.

Once a study has commenced, it is important that preliminary findings and recommendations, especially if they could significantly affect policy decisions, are presented in venues that would allow both researchers and practitioners to assess them and assess the feasibility of their implementation. This, therefore, requires constant monitoring of the progress of work and the provision of "immediate" or "instant" outlets or fora for discussion.

Related to this concern for monitoring and timely dissemination of results is a major strategy adopted by PIDS in the conduct of research in recent years. This is the encouragement of joint research studies with government agencies in certain areas. This approach has several advantages. First, the involvement of these agencies in a particular research project, especially as it affects their area of work, means that there is a "captive" audience in terms of the utilization of the output. Second, their involvement from the conceptualization stage up to the final stage in the research process means that their concerns and changing needs in terms of information and issue responses are immediately articulated and regularly inputted in the research process. This, therefore, augurs well for the research dissemination and utilization of the studies.

Of course, the evaluation of the outputs is a critical part of the overall process of research. As a matter of procedure, PIDS normally requests experts in specific fields to informally comment on final reports. In addition, the members of the board of trustees evaluate both proposals and final reports that are presented to them. But the real test for the acceptability of the studies usually comes during the presentation of the final report in seminars organized by PIDS to establish a forum for the exchange of views between the researchers and the practitioners regarding the results and recommendations of the study.

In 1987, as part of its reorganization process, PIDS strengthened its review process by institutionalizing an internal review committee while, at the same time, continuing with its external review procedure of inviting experts to evaluate the studies.

Dissemination and Promotion of Research Results

The dissemination and promotion of research results constitutes a crucial stage in the research process. For it is here where the questions of whether the choice of the target audience has been the right one or not, and whether that target audience has been effectively reached, are answered. The answers partly depends, of course, on the quality of the research outputs and partly on the manner and approach in transmitting the said outputs to their intended clientele.

As a matter of strategy, PIDS promotes the studies it generates via a three-program approach, namely: (i) a publications program; (ii) a public affairs program; and (iii) a library development program which focuses on documentation acquisitions and exchange.

Under its publications program, PIDS issues working papers, monographs, books, the *Development Research News* (DRN) newsletter, the technical journal called the *Journal of Philippine Development* (JPD), the *Research Folio Series* or digests of PIDS studies, and executive memoranda which highlight the policy discussions during seminar-workshops and other fora. Research reports initially come out as working papers and are circulated to solicit critical comments for possible improvement. Reports or studies that are considered publishable, based on a review process by internal committees and external reviewers, are printed either as books, monographs or articles in the DRN or JPD. Some studies are digested into summaries and distributed as the *Research Folio Series* or as items for media release. It is not uncommon to find some studies, especially those with major policy implications, appearing simultaneously in various forms for purposes of reinforcement in influencing decision-makers. Thus, a study may be released for the media, summarized into a folio series form, and circulated as an article in PIDS' regular publications.

The *Research Folio Series* came about as a response to criticisms that PIDS studies do not reach enough of the policy-makers, especially in view of the changed complexion in the policy-making machinery. Since the observation was that PIDS studies were a bit difficult to comprehend, perhaps because of their orientation in economics (PIDS studies deal mostly with studies on the Philippine economy), efforts were made to "laymanize" the findings and recommendations of the studies. Thus, the circulation of the folio series which consists of loose two- or four-page summaries of studies accompanied by visual presentations that capture the essence of the findings in one glance was launched. Because they are easier to read, this series has been intended for the busy policy-makers in the executive and legislative branches of the government.

In addition, a new supplement to the DRN, the *Bills on Economic Affairs*, was published to update planners, members of the research community, and the general public on the bills proposed and/or sponsored by Members of Congress which may have a direct bearing on their respective spheres of activity.

For its public affairs program, research results are usually presented in workshops and meetings organized by PIDS where representatives from various sectors are invited to comment on them. However, a perennial problem is that those with the clout in decision making—the senior officials in both the government and private sectors—do not usually attend because of their busy schedules and just send junior representatives instead. PIDS has attempted to deal with this problem by the circulation of executive memoranda highlighting the policy recommendations and findings raised during the fora. Needless to say, too, the media exposure that may come out as a result of the seminars helps in reaching these people and influencing policy making by way of sparking debate on certain issues.

In previous years, the mechanism of including the presentation of PIDS' research outputs in the agenda of meetings of particular inter-agency committees proved to be useful. For one thing, an audience of policy-makers which the studies wish to reach and influence, is already there. And for another, the presence of the studies' proponents in such meetings provides an opportunity for interaction regarding the results and recommendations. In a way, the workings of these inter-agency committee meetings are simply the reverse of those of fora organized by PIDS, that is to say, instead of the policy-makers being invited, it is researchers who get invited. This system, however, usually reaches only the executive branch of government. With the new set-up in government, this mechanism should be tapped to the fullest; counterpart liaisons or mechanisms to reach the legislative branch must be explored.

New initiatives in reaching a wider audience and in promoting its visibility have been pursued in recent years by PIDS. These include the negotiations for joint sponsorship of fora with members of the working media, the opening of liaison contacts with the technical staffs of certain members of Congress, the conduct of institutional visits to select regional research institutions for purposes of looking for local conduits for the dissemination of research results, and the holding of annual roundtable discussions on economic forecasts for the year.

PIDS Performance and Influence: An Assessment

In its more than a decade of existence, how has PIDS fared in influencing government policies?

All the efforts and approaches described above are aimed towards assisting in the planning and policy-making functions of government. By its mandated role, the ultimate target clientele of PIDS are the planners and decision-makers in government. Reaching this sector, though, may entail the use of various routes, apart from the most direct manner of talking with them. It is, therefore, with this premise in mind that PIDS has over the years, and especially after 1986, embarked on various strategies to influence this group.

The question now is: how effective have these strategies and approaches been?

The answer to this may be gleaned from an assessment of PIDS and its impact based on its locational role in the spectrum of policy influence; complementarity between research and research utilization; and its links with external organizations.

Its locational role in the spectrum of policy influence.

In his evaluation report on PIDS, Ranis³ noted an ambiguity among key people he interviewed in their judgement of the usefulness of PIDS outputs. While there was an almost unanimous agreement that the quantity and quality of the PIDS studies have

been consistently high, there were varying reactions on how useful they have been in government work.

In its effort to serve its mandate as a broker between government and the research community, PIDS has tried to maintain a balance in its relationship with both entities while, at the same time, being careful to keep its independence and integrity intact. Despite this, however, some people still feel that PIDS has kept itself too close to academe, to the point of simply becoming its clone. Others entertain the thought that since it works so closely on current concerns of government, especially with NEDA, PIDS simply supports the government's stand and comes up with outputs not very much different or independent from those of the central planning agency.⁴

With regard to the criticism that PIDS is simply a clone of the academic establishment, much of this perception derives from the quality of the outputs it produces. Usually written in an academic research style, with a generous sprinkling of technical jargon, some quarters feel that the studies have succeeded more in addressing the academically-inclined audience rather than the practitioners in government who normally do not have the luxury of time to pore over voluminous and academic studies.

This, therefore, calls for further reducing PIDS' outputs into more "laymanized" versions to allow for easier reading. And while great efforts have been exerted towards this end in recent years, with considerable success at times, there is still plenty of room for improvement.⁵

There is also the need to include more researchers from private institutions and other key government entities. In this regard, the encouragement of collaborative research should be continued. Similarly, in the selection of researchers from the academic community, PIDS must continue tapping investigators from outside the University of the Philippines.

With regard to PIDS' closeness to government and the charge that its findings and recommendations simply mouth the government position, it is to PIDS' credit, in particular to its top management, that in its entire decade of existence, there is no known occasion where government has attempted to affect, influence or suppress its research findings.⁶ Even at the height of the previous regime where the political climate was not conducive to critiques of government decisions and programs, PIDS studies which were critical of policies never suffered any pressures from government.

On the other hand, the perception that PIDS may be too close to NEDA for comfort, and that it is simply an extension of NEDA, may have arisen from the fact that: a) PIDS is attached to NEDA for policy coordination; (b) the NEDA director-general is the ex-officio chairman of the PIDS board of trustees; (c) the PIDS president simultaneously held a key NEDA position; and (d) PIDS occupies a NEDA building.

The link with NEDA was recognized in the past as vital in view of the easy access to feedback on research needs it provided through its network of agencies and various inter-agency committees. However, at this point in time, when various actors and a more heterogeneous set of views fill up the halls of the government decision-making machinery, it is perhaps important for PIDS to gradually move itself from under the

shadow of NEDA and broaden its sphere of influence. One way of doing this is to attend to other line departments' research needs and strike a "better link between macro and sectoral planning and policy coordination."⁷ In this respect, the recent approach of having joint research projects with line agencies of government such as the Department of Agriculture, Department of Health, and the National Manpower and Youth Council, should be continued. At the same time, the recent PIDS initiative to touch base with the staff of members of Congress and to open more lines for dialogue with representatives from media should also help enhance PIDS' role in influencing the mainstream of today's national decision-makers.

Complementation between research and research utilization

There is perhaps no better gauge of an institution's achievement than an assessment of how its inputs have been useful and relevant to national planning and decision making. For the past decade, many of PIDS' research findings and recommendations have markedly guided the direction of government policy. Apart from the two already-mentioned agenda reports submitted at the start of the Aquino administration, one of the most important works was the study on the *Industrial Promotion Policy in the Philippines* by Romeo M. Bautista, John H. Power and Associates. Towards the end of this project, the first structural adjustment loan from the World Bank was being discussed. The timely completion of the project, which recommended measures for the industrial restructuring of the country, proved to be very useful and its findings and recommendations were heavily used in formulating the policy reforms in this area.

Another major contribution of the PIDS research to policy making was the study by Cristina C. David et al. on their view of the impact of macro-economic policies on the Philippine agricultural sector. This study may be considered as an important pioneering work inasmuch as prior to it, most of the agricultural research done in the country was commodity-specific and focused on technological research. The recommendations of the study, which touched on the interplay of policies and forces as they affect agriculture, proved to be very timely and were, in fact, extensively used in the subsequent restructuring of the country's agricultural sector.

Other examples may be cited. For instance, the annual econometric model prepared by PIDS provides the framework in the planning and forecasting process of NEDA. Of late, the joint PIDS-Tariff Commission studies provided valuable inputs to the country's current tariff reform program, and its collaborative undertaking with other foreign institutions under the auspices of the Asian and Pacific Development Centre (APDC) on an econometric model for trade in Southeast Asia promises to be an important contribution in the promotion of trade.

But the success of these projects should not allow for complacency in the promotion and dissemination of the PIDS' studies. For a lot more can be done in ensuring a tighter fit between research and utilization. And with the observation forwarded by some quarters on the seeming inclination of the PIDS studies to cater to an academic audience rather than to the actual policy practitioners, it is important for PIDS to continuously search for and develop effective mechanisms for transmitting research accurately and in

a language understandable to its intended audience. This is a challenge not only for PIDS but also for other institutions whose role is to inform and influence. A key element to ensuring some success is to really know who the target clientele are. It is not enough to identify the institute's audience; it is also important to understand and define what it needs.

In the case of PIDS, despite some success, greater efforts to know what its clientele really needs, and in what manner, are still in order. A useful approach has been the involvement of key agencies and persons in government entities in collaborative research, from the conceptualization stage to the dissemination process. This process facilitates the identification of agency needs, where the gaps in their area exist, and in what manner they would want any conclusions to reach and assist them in their policy deliberations. As such, the outputs are assured of their utilization and usefulness.

There are also alternative routes in reaching PIDS' intended audience. These may be done by sufficiently arousing their attention through other actors in the arena of influence-peddling, like the media or various interest groups. To succeed in this would be to increase PIDS' visibility not only through media exposure but also through linkages with other institutions and associations in terms of: (1) collaborative undertakings like for a co-sponsorship, co-publication ventures and networking; and (2) participation in various interactive discussions emanating from speaking engagements or commenting on other studies and papers in conferences and meetings. Reaching out to a wider audience base through visiting various regions of the country to establish local conduits for the dissemination of research results, may also enhance such visibility.

But perhaps more fundamental than this, is the task of promoting a more active advocacy among researchers themselves. Pante, in his paper on health policy research,⁸ laments the fact that a number of researchers seem to consider their work completed once they have submitted final reports on their research projects. It is, therefore, crucial for PIDS and other research entities to instill among researchers the need to continue advocating their works to policy-makers even after their completion as a means of supplementing the institution's regular program of research communication.

Links with external organizations

PIDS' links with external organizations appear in two forms: 1) through financial assistance from major donors; and 2) through institutional collaboration.

In terms of financial assistance, PIDS has received funding from various donor agencies for joint studies on a project basis. These have supplemented the internally-generated resources of PIDS which normally support about two-thirds of its operations. In forging project studies with foreign funding, PIDS has seen to it that the areas of research agreed on conform with its priorities and form part of its broader research agenda. Through the years, several major studies with strong policy implications have been completed under the auspices of these project funds, including studies in industrial promotion policies, natural resources management, health policy research, rural financial systems, tariff reforms, export financing system and regional balanced growth. To

the credit of both PIDS and these external donor agencies, the assistance has been in the form of relatively untied grants, and the findings of the research have found their way into the mainstream of policy deliberations without undue sacrifice on the integrity of PIDS.

With regard to collaboration, the range of modalities is vast and may vary from the simplest form of exchange of publications and information to a full-blown joint undertaking involving all stages of a research process.⁹ PIDS' experience in this area reflects a wide range of possibilities for research cooperation and has helped in strengthening PIDS' capability to participate in the analysis and study of global issues as they affect the Philippines. Thus, while PIDS maintains collaborative links with both local and foreign institutions, its experience regarding foreign collaboration needs to be highlighted for the many lessons gathered from it.

PIDS maintains correspondent relationships with several research organizations, either on a bilateral basis or through a networking mechanism via the exchange of its publications, research materials and information on its activities. It also participates in cross-country studies initiated by institutions with broader concerns such as the Asian Development Bank (ADB), and the Economic and Social Commission for Asia and the Pacific (ESCAP), making sure, however, that there is enough flexibility for it to participate in drawing up the terms of reference for the study and to have full access to data and results. Study tours and institutional visits to foreign institutions have also been conducted by some of PIDS' senior staffers, subsequently resulting in the completion of studies on critical areas such as taxation, investment incentives and rural linkages, on the basis of the data and methodological insights and frameworks that they were able to gather in the process. Finally, joint research projects with other institutions have been forged in areas of common concern, with collaboration agreed upon in the conceptualization and drawing up of the program, the conduct of the study and dissemination of the results. Clearly, PIDS has gained much from the above experience. For one thing, collaboration further improves the substance of its research through the provision of the broader perspective provided by the foreign researchers. Also, it helps enrich its studies through the incorporation of other country experiences which has made the Institute more effective in national policy debates. Collaboration likewise makes possible the conduct of more research, as resources from cooperating institutions are combined and added to the more limited resources of PIDS. Of course, this also leads to the transfer of technical and management skills to the PIDS from abroad, thereby further strengthening its capabilities.

PIDS' foreign collaboration can still benefit further if more institutions and individual researchers from places outside of the United States are included in its list of collaborators. This also holds true for PIDS' foreign consultants. The past years saw a near monopoly among United States institutions as PIDS' source of consultants and collaborators.¹⁰ If PIDS truly wants to achieve a balanced perspective of global concerns and methodological orientation to guide it in national policy debates, then it has to expand its base for collaboration by focusing its sights on other continents.

PIDS, Think Tanks and the Future

What does the future hold for PIDS? Or for think tanks?

In the Philippines, the need for an institution or institutions that would assist government in the process of planning and policy formulation by providing long-term, policy-oriented economic and social research becomes even more crucial now that the country has set its sights, after recovering from many years of economic stagnation, on becoming a contender for the newly-industrialized country (NIC) status in the next century. For indeed, to achieve this goal and to benefit from the challenge of the so-called "Pacific Century" in the near future, long-term, strategic planning is called for. Such planning will require strategic responses not only to domestic but also, and quite significantly, to global concerns as they affect the country's trek towards this path. For the globalization phenomenon, while bringing along a lot of benefits to individual countries, likewise ushers in a new set of problems for them. Countries must be prepared to face these concerns.

For the Philippines, this means the alignment of its national policies in anticipation of, and in response to, developments in the world's financial and trade markets, changes in geopolitical and economic alliances, and rise of new regional and international groupings. In particular, it must, among others, be able to address issues like the external debt burden; trade and financial liberalization; the potentials of the ASEAN bloc and the country's role in it; the continuing presence of Japan as an economic power in the Asia-Pacific region and the Philippines' relationship to it; the emergence of the People's Republic of China and the Indo-Chinese region as potential competitors in the world trade market for similar products; and developments in Western and Eastern Europe, as they affect the country's development and stability.

As mentioned earlier, organizations known as think tanks may be in the best position to provide assistance to the country's need to address these challenges by means of providing the research base and strategic information needed in formulating plans. Some think tanks in the country have indeed sought to help along this line. Each of them tries to reach certain specific sectors like the private business sector for CRC, people's organizations and non-governmental organizations for PCPS and the academic community for UCIDS. The Philippine Council for Foreign Relations, Inc., meanwhile, specifically addresses government decision-makers but focuses its agenda solely on foreign relations and its related concerns. Seen in this light, then, there seems to be a continuing need for an organization that would be able to provide the Philippine government with its wide-ranging research needs and inputs to planning and policy making for present and future concerns. And given the PIDS experience, one can perhaps safely conclude that despite its shortcomings and the concerns aired by some sectors about its character, PIDS still offers a very good alternative for this role. Although there are, of course, still people in government who are wary of research and doubt its utility, the recent years have shown that this kind of thinking is slowly giving way to a more appreciative attitude. This is evident from the growing requests to PIDS from various government departments, in particular, line agencies, for joint research endeavors on certain priority issues.

However, the fact that some concerns have been articulated about certain PIDS characteristics and operations means that some fundamental changes in the PIDS structure may also be required. This is especially so in the face of the changed set-up in the decision-making machinery in government. Whereas in the previous regime, influencing the executive branch of government was simply the major task, under the new institutional make-up for policy making in the country, the job becomes more complicated as the need to respond to other actors, especially the Congress, becomes evident. Although PIDS is conscious of this need, and has accordingly tried to work out new initiatives to respond to it, the needed response may perhaps extend beyond mere operational improvements to certain structural adjustments.

The Ranis evaluation report offered three options to make PIDS a stronger organization in responding to the new challenges, namely: (i) maintaining the status quo in its set-up with some minor changes in governance as well as improvements in the terms of employment for its staff; (ii) converting PIDS into a government foundation; and (iii) privatizing PIDS. The least stressful in terms of "rocking the boat" is Option A. PIDS currently operates under this scenario with an accompanying series of constant innovations in its approaches and activities.

In the long-run, however, it may be useful for PIDS and the government to consider more closely the other options. Particular attention might be given to Option B, since it will not entail so much disruptions and may at the same time provide an answer to the needs to: (1) create a greater distance between PIDS and NEDA by ensuring the participation of other departments of government in its board; (2) better serve the needs of the legislative and executive branches of government by including some of its members in its board of trustees; and (3) enlarge its core staff with attractive emoluments.¹¹

Whatever option is finally decided on, though, the structure should be such that it would be able to respond well and efficiently to the growing requirements of decision making in government, as well as continue providing an attractive environment for researchers.

Moreover, the question of its sustenance and viability through the years in terms of financing must also be considered. This is a critical aspect not only for PIDS but also for other research institutions or think tanks, inasmuch as continuing support for their operations, either from the government coffers or from other private sources and grants, will determine the extent of its research thrusts and activities and, therefore, their usefulness to policy making and governance.

Notes

1. *PIDS Annual Report 1987*, p. 2.
2. The next three sections draw heavily from an earlier article written by Dr. Filologo Pante, Jr., entitled "Notes on PIDS and Research Management: The Initial Years"

which appeared in the *Journal of Philippine Development*, Vol. VII, No. 2, 1980, and from various PIDS' briefing materials.

3. Gustav, Ranis. *The Philippine Institute for Development Studies: Perspectives on the Past and Options for the Future*, October 1987.
4. Ibid., p. 4.
5. United Nations Development Programme (UNDP), *Assistance to the Philippine Institute for Development Studies: Report of the Evaluation Mission*, May 1989.
6. Ranis, p. 10.
7. UNDP, p. 42.
8. Filologo Pante, Jr., *Health Policy Research and Development in the Philippines*, February 1990.
9. Most of the points raised here are discussed in Pante and Lamberte's paper entitled *Policy-Oriented Research Monitoring and Regional Research Collaboration*, February 1989.
10. Ranis, p. 8.
11. Ranis, p. 15.

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Singapore

Think Tanks in Singapore's New Economic and Political Setting

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Introduction

Globalization has been defined and characterized by the growing interdependence of markets and economies through trade, investment and other factor flows including finance, labour and technology. It also refers to the global diffusion of information, ideas and values, and global concern with environmental protection. It is neither neutral nor innocuous, as it brings with it tremendous economic and socio-political implications.

Economists are concerned with both the positive and negative aspects of globalization, such as international specialization and division of labour, or increasing global protectionism. Political scientists must consider its relevance to governability, as national sovereignty is exposed to global influences. All social scientists, however, are interested in the impact and role of information of the phenomenon of globalization. As economies on the Pacific rim become increasingly integrated and interdependent, the importance of quality information to assist policy making and assessment, becomes more critical. Think tanks thus become not only fashionable, but necessary to collect and assimilate data, and to facilitate an understanding of policies and their impact and implications within the country and on other countries.

Another important issue relating to the operation of think tanks is whether they exist as agents of centralization or decentralization, facilitating governability or generating platforms for greater social discourse. Cynics may well downgrade think tanks in weak democratic states as mouthpieces or organs of the ruling party. The more optimistic would see them as opportunities for constructive dissent and innovations. A middle-of-the-road perception would be that they are fora for galvanizing opinions and putting them

in perspective, even if they end up as publicity exercises to legitimize governments' thinking and strategies.

The main objectives of this paper are to consider the role of think tanks in Singapore in the changing international environment and the implications of globalization on their activities. It begins with a review of the institutional development of think tanks in Singapore, moves next to a discussion of their efficacy in influencing policy formulation and evaluating policies or policy processes, and concludes with a brief examination of some of their problems and prospects.

Development of Think Tanks in Singapore

As think tanks have both an economic and political role insofar as public policies are involved, an economic review of Singapore would be useful. However, such a review can be found elsewhere and will not be undertaken in this paper.¹ It is, nevertheless, important to point out here that a major factor in past economic growth had been the effective implementation of soundly-conceived government policies that took Singapore's weaknesses and strengths fully into account. While such a strategy will continue to serve well in the new decade, it is worth noting that the policy-making environment has become more participatory and consultative.

On the socio-political front, the government is also in need of a new political culture with a younger, better educated and politically more demanding electorate. Again, the more consensual style of economic management has its counterpart in the political process, as economic liberalism cannot function successfully in a regulated, *de rigiste* political system. Under such a new economic and political environment, the emerging role of think tanks appears appropriate.

Typology of Think Tanks

First, an understanding of what constitutes think tanks is necessary. One typology could start with a private-government classification and the sources of funding would constitute a good yardstick. Another would consider formal think tanks which are set up as permanent establishments with defined terms of references and roles, staff and other physical infrastructure. The counterpart would be ad hoc, informal ones which grew out of an issue or controversy and whose main objective is to study that problem. These latter think tanks may be dismantled once the problem is settled, or more pressing problems surface.

What is perhaps more important, however, is to view think tanks from the perspective of their roles and functions. In other words, think tanks may also be classified by

the nature or area of their functions and disciplines. The economic, sociological and political roles of think tanks are particularly relevant.

From an economic viewpoint, think tanks in Singapore as elsewhere, serve as an efficient means of gathering and processing intellectual resources—almost like "thought factories." At the same time, think tanks are centres of information in a time when information is power. Finally, think tanks also serve as important mechanisms for the spawning of economic strategies for development and growth. The perceived economic role of think tanks is to serve policy-makers too preoccupied with day-to-day administration to engage resources in research about policy implications and effects. Pure economists would like to consider think tanks as mechanisms for specialization and division of labour, with the goal of efficient allocation of resources always in mind. Welfare economists would add the equity and welfare aspects, knowing that some inevitable trade-off between these and economic efficiency would have to be politically determined.

From a sociological perspective, think tanks can be viewed as providing fora or mediums for interaction, especially among a special class of thinkers. Whereas policy-makers are concerned more with the administrative and implementative aspects of their policies and strategies, the "humanizing" touch may be provided by the resource persons in the think tanks. Communication, motivation, participation, dissemination of information, feedback of views and ideas, and other sociological aspects of policy can be enhanced in the think tank environment.

Finally, think tanks can also become vital political institutions for either centralizing or decentralizing public opinion and views. Cynics may consider government-sponsored think tanks as engaging in brain-washing, or attempting to neutralize and diffuse views. Even if they do not attain such extreme aims, think tanks can be useful organizations to publicize, explain and disseminate government thinking and policies. For the politically inclined, participation in such think tanks may be a kind of "intellectual baptism" where their "learned and educated" opinions are meshed with political realities and constraints of practical politicians.

The following discussion of some think tanks in Singapore does not attempt to categorize them by any of the above typologies. The presentation is purely descriptive, so as to provide the institutional details to facilitate a discussion of their efficacy.

The Institute of Southeast Asian Studies

As the People's Action Party (PAP) government operated in a tightly-knit, top-down style of government, think tanks were hardly deemed necessary in the 1960s. Think tanks characterized by being established, financed and utilized by the government, were thus absent from Singapore in its early days unless one includes the Institute of Southeast Asian Studies (ISEAS). The origins behind ISEAS go back to the period immediately after Singapore's independence from Malaysia in 1965, when the concern was that a more indepth knowledge of Singapore's Southeast Asian neighbours was necessary. After

government officials had visited a number of research centres in Southeast Asia, the United States, Britain and elsewhere, the government decided to set up an autonomous institute for regional studies. ISEAS was duly created by an act of Parliament in May 1968 with provisions to have it operate as an independent centre with a board of trustees and no restrictions on the nationality of its members or its director.

The 22 member board of trustees is made up of appointees from the National University of Singapore, the Singapore government and a broad range of professional and civic organizations and groups. In 1982, a Regional Advisory Council, which has neither administrative nor executive responsibilities, was inaugurated. Its objective is to seek the benefit of the wisdom and experience of the members who are from the Southeast Asian region, with regard to ISEAS' relations with other research institutes and universities and development of scholarship in general.

Besides the full-time research staff and a 10-person executive committee which oversees day-to-day running of ISEAS, there is a constant revolving pool of Southeast Asian scholars and experts on various research scholarships, research associate arrangements and grants. There is also an active program of lectures, conferences, seminars, workshops and discussions. Findings on a wide range of subjects are published in books, journals, papers, monographs and notes. Research areas include politics, geopolitics, history, economics, sociology and culture.

ISEAS' activities are funded from several sources. The Singapore government provides operating grants which totalled over S\$34 million in 1989. ISEAS also receives donations and grants from various private foundations and corporations. It can also undertake revenue-generating projects. All in all, ISEAS has provided a focal point for Southeast Asian affairs and has met its original objective of providing the government and the people of Singapore with a more intimate knowledge of the region Singapore is located in. While other institutes with similar activities have been created, ISEAS remains one of the more established in its area of specialization.

Political Study Centre

Other organizations, even more nebulous in terms of being defined as a think tank, have been established in Singapore. One such organization is the Political Study Centre formed by the ruling government in 1959. The Political Study Centre may be deemed more as an institution where civil servants are hoisted into the thinking and strategies of the political leadership to form a political-bureaucratic nexus to promote a democratic system in Singapore. This was the forerunner of the present Civil Service Institute which runs training and induction courses for new civil servants; ostensibly like on-the-job training. While the civil service is not exactly apolitical, the political-bureaucratic symbiosis is nascent and improves governability for a small city state which has little room for errors. Hence, the Political Study Centre and the Civil Service Institute, while not

serving truly as think tanks, do involve some thought processing and exchange which may contribute to policy making.

Institute of Policy Studies

The economic recession in 1985 was a watershed in that it resulted in a gamut of bold new economic directions involving many reversals of past policies.² With the formation of the Institute of Policy Studies (IPS) in December 1987, the first official think tank can be said to be established. Prior to this, there had been interest expressed in an institution along the lines of the Korean Development Institute (KDI). IPS is like a half-way house, incorporated as a public company, limited by guarantee and funded by a government grant.

IPS has a three-pronged purpose: 1) to promote interest and studies in Singapore's political, cultural and historical heritage; 2) to promote studies of issues affecting Singapore's future and to provide a forum for discussions of these issues; and 3) to undertake research on issues relevant to Singapore's past, present and future, and to publish the results. As a means of fulfilling these objectives, IPS conducts a course on the history and politics of Singapore for senior civil servants who are policy-makers. While not explicitly stated, IPS also makes confidential submissions to the government, including its patron, Mr. Goh Chok Tong, the First Deputy Prime Minister and Minister for Defence. (Editors note: In November 1990, Goh Chok Tong succeeded Lee Kuan Yew as Prime Minister of Singapore.)

IPS is headed by two academics as the director and deputy director, both of whom are political scientists.³ A seven-person board of governors was established, comprised of the chairman from a top local bank, the head of the Singapore Civil Service, the vice-chancellor of the National University of Singapore (NUS), the director of ISEAS, the editor-in-chief of a local newspaper, and managing directors from two Singaporean multinational corporations.

An interesting feature of IPS is the balanced and wholly indigenous composition of the board and the staff. The full-time research team, including an adjunct fellow from NUS, is supported by other academic researchers and intellectuals from NUS and other tertiary institutions, as well as from the public and private sectors. In addition to publishing,⁴ IPS organizes lectures, seminars and discussion groups on local and regional themes such as emigration, religion, privatization and the elected presidency. There seems to be some specialization of function between IPS and ISEAS, with the former more policy oriented and the latter more academically inclined.

Economic Research Centre

The Economic Research Centre (ERC) was formed in 1969 with a grant from the Ford Foundation. It had served to provide academic and intellectual research, primarily on Singapore and mainly on economic issues. Its major publications include the *Sample Household Survey of Singapore, 1966*, a prominent contribution at the time as the official census has been conducted at 10-year intervals only since 1970. Its speciality can be said to be in manpower studies. In the late 1970s, when its initial grant was depleting, it became a research arm of the Ministry of Finance, operating as a body under the then University of Singapore (now NUS). It also undertook revenue-generating projects with the private sector. However, as various ministries began to have their own research units, the role of ERC became gradually redundant. Moreover, there was a duplication of functions in other areas, as the Applied Research Corporation (ARC), a private consulting company of the university, also services both the public and private sectors in their research needs. ERC was thus dissolved and its staff and resources absorbed into NUS in the early 1980s.

Centre for Advanced Studies

The Centre for Advanced Studies (CAS) was formed in January 1982 to promote research and post-graduate programs in the Faculty of Arts and Social Sciences at NUS. Its specific aims include: encouraging research; developing post-graduate programs; facilitating cooperation with other academic institutions; assisting in the preparation of publications; and promoting other academic activities. As an adjunct of the Faculty of Arts and Social Sciences, CAS may be deemed an academic think tank rather than a more policy-oriented think tank like IPS, although, like IPS, it draws its main research support from the university community.

CAS' major research efforts include multi-disciplinary studies on transportation issues, the family, and related issues using data from various censuses on demography and population, labour force and employment, socio-economic indicators and household projections. Current topics like the brain drain and health and household production are also on its agenda. It publishes occasional papers and sponsors books and other academic projects to publicize its research work.

The Institute of East Asian Philosophies

The Institute of East Asian Philosophies (IEAP) was established in June 1983 under the chairmanship of Dr. Goh Keng Swee, Deputy Chairman of the Monetary Authority of Singapore. IEAP is a non-profit resource and research centre for Oriental philosophies, with the emphasis on Confucianism, both as a historical phenomenon and as a living tradition in the East Asian context. Apart from conducting original research on

Confucian traditions, as a service to Singapore's commitment to moral education, IEAP undertakes long-term projects in the translation, interpretation and evaluation of Confucian ethics. With the conduct of research and collection of relevant materials as its vital functions, IEAP strikes a balance between research and application. It serves the community by taking part in the Ministry of Education's moral education program, providing support and consulting services to curriculum writers, policy-makers and teachers. In fact, the permanent secretary, Ministry of Education is among its 10-member board of governors.

It was announced in November 1989 that a new director and a change of name and emphasis of IEAP would come about. The new director is a young economist who was with the Monetary Authority of Singapore and the Ministry of Trade and Industry, prior to joining the National University of Singapore. His appointment signals a shift of focus away from Confucianism and philosophy to more research in economics. The research is, however, likely to concentrate on East Asia, notably China, in line with its original purpose. This change would make IEAP more in the league of a think tank, as its research would be more policy oriented. Its original source of funding was the private sector, but it now seems that the government would contribute resources if necessary. IEAP's location on the campus of the National University is a reflection of its liaison with NUS.

Others

A further stretch of imagination would include other less formal groups as think tanks, on the criterion that they may affect policy formulation by their contributions. One example is the group of young NUS staff members in the Faculty of Arts and Social Sciences, dubbed the "Spirit of 1989." While this is more an informal gathering of young academics, especially those who have returned from overseas post-graduate studies, concerned most immediately with future directions for the university, it does have an overall coverage of socio-economic issues in Singapore. The group is, however, too young at this juncture to report any major academic and research work.

Other such informal study groups include the study group on the Central Provident Fund (CPF). The publication of this group's report on the CPF⁵ emanated from a highly controversial recommendation of a government committee which, among other things, called for a prolonging of the withdrawal age for CPF saving. This recommendation was subsequently abandoned and the CPF Study Group put up a strong case against it.

Other groups organized with the government's sanction include the Public Debate on Land Transportation in 1989, the National Agenda which started as a task force of PAP, and various white papers done by select committees such as in land transportation and religion. These groups provide the mechanisms for some public debate and views to be expressed.

Assessment: Policy Versus Process Evaluation

Compared with some other countries, the spread and diversity of think tanks in Singapore can be considered small. The low demand for think tanks may be explained in the following way. Since its independence, Singapore has experienced economic and political crises almost one after another. The ruling government has always emphasized the need for good leadership and for the people to cooperate with good faith and trust in the system. The government, in turn, has delivered the fruits and results, ranging from jobs and income, to housing and education, to a clean and cultured environment. As such, the need for think tanks from an economic or sociological perspective appeared redundant. But with the new socio-political environment, the government credo that it "knows best," seems in need of some moderation. The new leadership and new electorate both need to flex their muscles, but in harmony rather than at cross purposes. Think tanks can perform this intermediary and conciliatory function.

With the economic recession in 1985, Singapore's compass has turned. And while the unique discipline of the Singapore society remains prevalent, politically, a new culture has emerged and demands for a more consultative and participative style of government have evolved. It may be time to create some mechanisms, especially well-ordered and regulated think tanks to facilitate this change.

Accepting the argument that Singapore is too small and vulnerable for the Western-model of democracy, think tanks can provide a useful, recognized means for a more widespread discussion of public policy. The degree of sanitization and regulation of views and suggestions varies with the issue, but the government does listen to some extent. Following years of government-led or initiated development and policy making, the art of a more democratic style of participation by the people, probably needs a catalyst. As people recognize the deregulatory mood of the leaders, they respond effectively and enthusiastically. The achievements of IPS may be considered as a yardstick of the efficacy of think tanks in Singapore.

On the other hand, because of its means of funding and the public sector composition of its board, IPS may be seen strictly as a government think tank. The exact degree of autonomy is not known, but the economy and philosophy of Singapore, which places a heavy dependence on well ordered, socially desirable equilibria, would not allow the departure to be too great.

Thus far, the role and efficacy of think tanks have been viewed in their domestic context. As part of the globalization process and trend, think tanks will increasingly have to expand their horizons and functions to transmit information, views and inputs from outside, to the government. To date, think tanks within the government appear more effective at these tasks because of their day-to-day work access to such information, than private ones. However, the circle will have to widen as the international system becomes more competitive and corporatized. Policy making must take into account private sector interests and influences.

As the international trading system becomes more politicized with much government intervention in trade matters, capital and other resource flows, the government in

Singapore must consider these factors in their policy decisions. Hence, cognizance and knowledge of fundamental economic and political trends will require the professional and specialist skills of academics and researchers, as well as practitioners in the business field. Thus, even the appointment of academic dons to ambassadorial positions in the United Nations or major countries like the United States, are significant milestones, reflecting in part the shortage of such talents and in part the need to draw academic intellectuals into the real world.

Conclusions and Prospects

Think tanks in Singapore appear to be moving in the right direction and show tremendous scope for development. To counter government-initiated think tanks, the academia appears the most fertile ground for alternative, or for that matter, collaborative views. The best candidates for engaging in intellectual discourse and indepth analysis appear to be academic researchers, and think tanks offer them practical dimensions beyond their ivory towers to do so.

Apart from the university and tertiary institutions, the private sector may also develop some think tanks from industry groups, community groups and others. Indeed, much research and studies are increasingly being done by the private sector, particularly in the banks and other commercial concerns. Another example is in the various submissions to the Select Committee on Land Transport, and the ensuing Land Transportation Debate, involving engineers and professionals from all walks of life, including the military. In their limited and specialized ways, these private think tanks, motivated by direct interest, have an important function within the the larger system.

A third potential for think tanks may come from the trend of the public sector marrying its resources with the private sector. Many research projects and studies are either done jointly, by bringing external consultants into the public sector or, increasingly, by farming them out to private bodies. This form of think tank activity may be useful and practical in the interim while a longer timeframe is needed to develop the capacity such as that possessed by the Institute of Economic Affairs. Many statutory boards and ministries have increasingly tapped private sector resources in such joint think tanks and the trend is encouraging for the cross fertilization of ideas.

The mood and environment is conducive for the development of think tanks. The thought process is greatly expedited and augmented by modern information technology and equipment. Such resources will be even more crucial and necessary when think tanks effectively deal with the issues associated with the globalization process. In this regard, it is important for Singapore's think tanks to go beyond local and regional issues and establish some international linkages and repute. Singapore is, fortunately, in an ideal position and location to do so. Such efforts would reap an immediate dividend for Singapore as all information and research emanating from such globally-oriented think tanks would be useful for its policy-makers. As tertiary and research institutions grow

and develop, such links and networking will be invaluable in the pursuit of academic excellence.

Singapore has developed a fine physical infrastructure, a stable socio-political environment and a vibrant economy. Through the years, it has prudently built up some financial surplus which can now be wisely spent on human capital resource development. In this respect, think tanks deserve some attention and support as an aspect of human development. This could also act as a mechanism to promote intellectual stimulation and cooperation with other countries and like-minded institutions. Singapore does have the right factors, including language, technology and others, to promote this "thought industry."

But while the potential for think tanks is tremendous, a survey of existing think tanks in Singapore reveal some areas which can be streamlined or tightened. First, there is the constraint of manpower—brains or thinkers in particular—currently concentrated in the academic and research community. While there are in-house staff in the various think tanks, they frequently tap researchers in the National University of Singapore. (The other post-secondary educational institution, the Nanyang Technological Institute which will be a full fledged university by 1992, does not yet have a social science faculty.) Second, ISEAS, IPS and IEAP for instance, appear to be doing very much the same kind of brainstorming and studies, though their geographical areas of interest may differ. ISEAS has a mandate to do research on the Southeast Asian region, while IPS focuses on domestic issues and IEAP on China. Both overlapping interests, and the need to spread further afield from Southeast Asia or Singapore into the Asia Pacific region, are inevitable. A sensible approach would be to combine all these think tanks under one roof but with different divisions to look after specialized areas. A greater degree of coordination and collaboration may be achieved and an intellectual synergy created, instead of the present competition for intellectuals to serve the different think tanks. One problem, however, needs to be resolved. Each think tank in Singapore is the brainchild of different leaders. IPS was clearly set up under the patronage of the First Deputy Prime Minister, the former Deputy Prime Minister is the "godfather" of IEAP, and the retired Senior Minister, former Foreign Minister, is a fellow with ISEAS. While such complexities do not constitute a major stumbling block, some political sensitivities will have to be respected before any merger can be considered.

Notes

1. For details and analysis see K.S. Sandhu and P. Wheatley, (eds.), *The Management of Success in Singapore*, (Singapore: Institute of South East Asian Studies, 1990); Lim Chang Yah and Associates, *Policy Options for the Singapore Economy*, (Singapore: McGraw-Hill Book Co., 1988); and L.B. Krause et al., *The Singapore Economy Reconsidered*, (Singapore: Institute of South East Asian Studies, 1987).
2. See Singapore, Ministry of Trade and Industry, *Report of the Economic Committee*, 1986.

3. The Director left to take up an ambassadorial position in the United Nations, barely six months after the IPS was set up. In June 1990, it was announced that another academic who has served as an ambassador would return to head IPS as well as serving as a Singaporean ambassador-at-large.
4. IPS' first occasional paper was on the elected presidency—Linda Low, *The Elected President as a Safeguard for Official Reserves: What is at Stake?*, (Singapore: Times Academic Press for the Institute of Policy Studies, Occasional Paper No.1, 1989); and the first book is on local entrepreneurship—Lee Baa Yuan and Linda Low, *Entrepreneurship in Singapore: State and Local*, (Singapore: Times Academic Press for the Institute of Policy Studies, 1990).
5. Lim Chong Yak et al., "Report of the CPF Study Group," Special Issue, *Singapore Economic Review*, Vol. 31, No. 1, April 1986.

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Papua New Guinea

Cultural Identity and the New Globalization Challenges in Papua New Guinea

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Introduction

Papua New Guinea (PNG) is being forced economically, politically and culturally into the global mainstream. A major concern facing PNG today is how to cope with the problems created by this situation. If the country is to survive the process of global integration, it must remain united. The national government is in a position to negotiate effectively with transnational corporations and foreign governments; individual provinces or even groups of provinces are not. At the same time, however, PNG can only survive as a cultural entity within the global community if it can retain some of the best of its traditional values.

Governance and Globalization

The workshop for which this paper was prepared dealt with three concepts—governance, globalization and think tanks. While governance, though complex, is a firmly established concept which was first used in the English language as early as Chaucer's writings in the 13th century, the concepts of globalization and think tanks are less readily understood. For the purpose of this paper, globalization is defined as "the growing interdependence of markets and economies; the global diffusion of information, ideals and values; international migration; and global imperatives on environmental protection." The term think tank is used to mean "non-profit policy institutes, academic centres and government advisory bodies."¹

In this paper, I will examine the role that think tanks play in influencing governments and other leading institutions vis-à-vis globalization issues. In particular, I will concentrate on aspects of this influence that deal with ideals and values.

Before describing the ways in which Papua New Guinea's think tanks are attempting to fulfil this function, or looking at ways in which activities in this direction can be consolidated and enhanced, I wish to point out that the government of Papua New Guinea has a substantial appreciation of the importance of globalization.

There are two major reasons for this level of awareness. First, the government has had considerable dealings with transnational companies, particularly in the area of natural resource development. For instance, the giant Ok Tedi copper mine project involves a transnational consortium made up of BHP Minerals Holdings Pty Ltd Australia (30 percent), Amoco Mineral Company U.S. (30 percent), a group of West German companies (20 percent), and the government of Papua New Guinea (20 percent). Even in some other resource development situations in which the government is not a shareholder, such as timber and fishing, it has a responsibility to monitor transnational involvement for the purpose of protecting the environment and the affected societies. In addition, the government has established statutory authorities like the Forest Industries Council and the National Investment and Development Authority to facilitate activities and to encourage and assist foreign investors.

Papua New Guinea is also an ex-British and ex-Australian colony. While there are undeniably a number of drawbacks associated with this status, one of the advantages is the legacy of the language of the colonial power. For those Papua New Guineans dealing with representatives of other countries, it is a considerable advantage to have been educated in the English language, the language most widely used internationally. Familiarity with English makes it easier for Papua New Guineans to be receptive to concepts of globalization. Papua New Guinea is also a member of the Commonwealth of Nations.

Furthermore, PNG has inherited an efficient infrastructure, including effective transportation, communications and financial systems, which have facilitated the country's attempts to adjust to the requirements of the global scene. For instance, PNG's communications technology is among the most advanced in the world. (It is interesting to note that public phone payment by card was introduced into PNG before it was available in Australia.)

Paradoxically, one of the advantages of the globalization process for Papua New Guinea has been the compelling need for the government to foster national unity from an extraordinarily diverse range of Melanesian societies. At Independence in 1975, the government inherited a situation in which most of the country's population of a little less than three million people, spoke over 700 languages and had evolved in small-scale, geographically and culturally isolated communities. The majority of Papua New Guineans had little knowledge or understanding of the world beyond their own territory and that of their immediate neighbours. The world in the sense of continents and oceans, and countries inhabited by people of yellow and white skins, with tremendous technological and cultural differences, was unknown to them.

Although technological and social change in Papua New Guinea has been extraordinarily rapid, many people in my country still live in isolated situations. As a country, PNG must exist simultaneously in the Stone Age and the Space Age and must cope with the best and the worse characteristics of each.

Stone Age/Space Age: The Best of Both Ages

Papua New Guinea was fortunate to have less than a century of direct colonial rule, beginning in 1884 and ending in 1975 when the country achieved its independence from Australia. This relatively brief association with colonialism left Papua New Guinea's many diverse cultures almost intact. More than half of its population have cultures still anchored in the Stone Age, while the other half has been exposed to the Space Age. Thus, Papua New Guinea is in a unique position to take advantage of the best of both ages and weave into a new society some fundamental cultural ideals and values. However, the adaptation is not easily achieved.

Few countries in the world have undergone such rapid changes as Papua New Guinea during nine decades of colonial presence and one and a half decades of self rule. As a result, Papua New Guineans are now living through a period of considerable stress and change. In the words of one of the founding fathers of Papua New Guinea's democratic system, Sir Albert Maori Kiki:

The world around them is changing fast, and what is worse, they have no real control over the nature of the change. Men and institutions that inspired them with awe when they were children have lost their influence and power today. Ideas that shaped their lives a couple of generations ago have been bypassed, overcome or discarded. Much of this change has been taking place against their wishes; some has been forced upon them; some they have welcomed. But however successful the people's adaptation to the modern world, there is a severe sense of loss. This sense of loss, a sense of being deprived, cheated, pushed out of one's heritage, is particularly acute among the politically conscious, and arising from this is the desire and the need to make Papua New Guinea a unique nation, not a mere blueprint of Australia or the Western world.

To create a sense of identity then is a task of the utmost importance. It is not merely a matter of being emotional about the past, tradition, culture or the Melanesian way. It is a matter of prime political importance. For it involves the complicated process of wielding a new national identity from the hundreds of local identities that have existed in this country in the past.²

This quotation begs the fundamental question of how Papua New Guineans can assert this uniqueness when everyday technological, economic, social and political changes force them to conform more to the rest of the world?

National Goals and Principles/Unity in Diversity

The national government recognized in the constitution that the country can only succeed globally if it remains united. And only by maintaining unity can Papua New Guinea hope to contribute the best of Melanesian values to the outside world.

The Constitution of Papua New Guinea, unlike those of many nations, contains a preamble with five national goals and principles. It emphasizes unity when it states "THE PEOPLE OF PAPUA NEW GUINEA, UNITED IN ONE NATION"; but also recognizes that "DIVERSITY IS A POSITIVE STRENGTH." By contrast, many countries discourage diversity, suppress minority groups, outlaw languages and victimize aberrant cultures and religions.³

It is evident from the archaeological discoveries of recent decades that the ethnic unity cannot be denied: the diversity of today is simply the product of an astonishingly long history. Never has any nation in modern history been founded upon such demonstrably ancient roots: the people of this country are direct descendants of a *single* colonising population, whose myriad offspring were ultimately responsible for the settlement of nearly half the surface of the earth. This vast proportions and great antiquity is only now being written...⁴

While the adaptation of traditional values to an industrialized society is not easy, the very recency of the transition from village life to a national society for many of the people, and the profound and dramatic physical, social and psychological effects of this process has, in many ways, made it simpler for those in government in Papua New Guinea to accept the concept of a transition from nationalism to globalism. For many, this step is less difficult than the step, or the leap, from village society to nationalism.

A further factor which has assisted government in accepting the concept of globalization is the way in which many traditional Melanesian values can be readily adapted to the global scene. I refer to the basic egalitarian nature of Papua New Guinea societies. That is, the "big man" system based on individual merit and voluntary acceptance by the group of the authority of the "big man," and a decision-making process founded on discussion and consensus. These traditional Melanesian concepts have made it easier for people in power at the national level to regard those in power in overseas countries as people of equal status. They thus refuse to be overawed by what other developing societies might regard as their superior technologies and hierarchical social structures. For most Melanesians, values and beliefs are more important than technology, and egalitarianism more important than hierarchical social structure.

Policy Changes since 1982

Concern for the environment was also enshrined in the national constitution and its protection was government policy at Independence in 1975. Against this background, the government has given highest priority to natural resource management and environmental policies which conform with traditional environmental values.⁵

Papua New Guinea established an environmental management program of research and species and habitat conservation between 1975 and 1981 in order to realize the aims and ideals enshrined in the national constitution. In 1982, however, the impact of international economic recession forced the national government to reduce drastically the budget for conservation and environmental management.

Fiscal constraints in the face of an emerging economic recession meant that government had to find new ways and means to generate internal revenue and reduce its dependence on Australian aid, and it turned to the development of its natural resources to achieve this. This has led to the problem of how to generate large amounts of resource revenues while preserving Papua New Guinea's cultural, biological and scenic values.

The result was that the government was unable to implement its environmental policy and was forced to compromise the principle of protecting the environment. By the end of 1987, it became apparent that the legal provisions in the various acts concerned with environmental management, protection and conservation had been abused at best, and ignored at worst, by developers and the national and provincial governments as they aimed to generate revenue. The government had lost control of the process of natural resource exploitation. As Brian Brunton, who prepared a *Critique of the Drafting Instructions for the Review of the Forest Legislation and Regulations* for submission to the Forest Industry Council of Papua New Guinea, noted:

the *de facto* policy of the government was almost totally at variance with its formal utterances. There was no sustainable resource management, no national control over provincial developments, no decentralisation of policy, and no emphasis on local processing.⁶

Countering the international and local pressures which resulted in the destruction of some aspects of the physical environment, there has arisen within Papua New Guinea a movement to reverse this process. There are now signs that the government is in a stronger position to enforce environmental control and will respond positively to local concerns for respect of basic environmental values which coincide with worldwide aspirations. This is one of the key areas where think tanks are contributing to the formulation of national policy.

Think Tanks: The Role of the National Research Institute

In Papua New Guinea the only institution which can properly be called a think tank within the definition used by this paper is the Papua New Guinea National Research Institute (NRI).⁷

NRI is a non-profit, government-sponsored organization with strong academic links. It seeks to both inform and influence the public policy-making process. A brief account of the establishment and development of the Institute will assist in understanding its current activities and its potential role in Papua New Guinea society.

As early as 1961, when Papua New Guinea was still an Australian colony, the Australian National University opened its New Guinea Research Unit in Port Moresby. With the coming of Independence in 1975, this research unit became an independent statutory authority known as the Papua New Guinea Institute of Applied Social and Economic Research (IASER). The restructured organization continued its practical and policy-oriented research programs and expanded the scope of its activities to include the publication of monographs, discussion papers and bibliographies. Established by an Act of Parliament in 1975, IASER began its formal functions on January 1, 1976. It came to be governed by a council whose membership consisted of members of Parliament, representatives of the two national universities, the staff of the Institute and the community.

Sir Henry ToRobert, the Governor of the Central Bank of Papua New Guinea, was the first Chairman of the Governing Council and remained in this position for seven years.

In 1982, by an amendment to the IASER Act, the governing council of the Institute was replaced by Papua New Guinea's premier policy-making body, the National Planning Committee. The National Planning Committee is a sub-committee of the Cabinet, comprised of senior government ministers and chaired by the Prime Minister.

In 1987, with further amendments to the Act, the University of Papua New Guinea's Educational Research Unit (ERU) and another government-sponsored organization known as the Institute of Papua New Guinea Studies (IPNGS) were amalgamated with IASER. The amalgamated Institute is now known as the National Research Institute.

We come now to the question of the way in which NRI can best relate to the transitions Papua New Guinea societies are experiencing. In my view, a basic function of NRI is to facilitate the further development of nationalism in Papua New Guinea—creating unity while protecting cultural diversity. A supplementary function is to assist the government's entry into the global community. While my concern is with the way in which the Institute can best achieve the former function, there is a direct and necessary relationship between the basic function and the supplementary function. The Institute's role of promoting unity within the nation by emphasizing those Melanesian values and beliefs which are common to all Papua New Guinea societies can logically be extended to promoting those values and beliefs internationally. I see globalization as a two-way process. On the one hand, Papua New Guineans need to become more aware of the implications of the country's increasing involvement with the global community. On the other hand, people outside Papua New Guinea need to become more aware of the relevance to global developments of Melanesian value systems.

For this to occur, the Institute's activities in influencing those in governance in Papua New Guinea must be so organized that these people can, in turn, influence the world's view of Papua New Guinea. It is the activities and potential role of the newly-formed NRI that I shall now turn to.

Aims, Funding and Structure of the National Research Institute

The mandate of the Institute is to undertake research into social, political, economic, education and cultural issues. On the basis of this research, it then provides advice to the appropriate public sector authorities and disseminates information to interested bodies both at home and overseas.

NRI operates on a recurrent budget and competes with other public sector agencies for the allocation of funds to maintain its activities. Some short-term research projects are funded by external agencies such as the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF). The Institute also enters into contracts with other government agencies to carry out specific project research and fieldwork.

NRI consists of five Divisions: the Social and Legal Studies Division, the Economic Studies Division, the Education Research Division, the Cultural Studies Division, and the International Relations and Strategic Research Division.

The Social and Legal Studies Division has its research base in many areas of inquiry deemed crucial for the development of Papua New Guinea. They include population structure and growth, with specific reference to demography and the effectiveness of family planning; assessment of government services, particularly to extension services; organizational bases for local and provincial government, including development associations and decentralization; rural welfare and development, with emphasis on the effects of rural outmigration; land problems and the implementation of land registration policy; and urban society and the problems of law and order. This division is also concerned with electoral reform; the legal, financial and fiscal aspects of decentralization; constitutional reform; and sales tax legislation.

The Economic Studies Division is responsible for research on Papua New Guinea's economy and its relations with the world economy. Its focus areas include macro-economic policy issues; constraints on economic development; economic analysis of sectoral programs, with an inter-disciplinary approach; wages, labour, employment and population policy; international trade, with particular reference to the Association of South East Asian Nations (ASEAN), and other regional cooperative arrangements; agricultural and rural development; and development issues in specific economic sectors such as mining, industry, fisheries and tourism.

In addition, the Economic Studies Division conducts high-level policy training courses for national executives and provides policy briefs to key government policy-making agencies. For instance, since 1989, this division has offered a regular diploma course in economic policy analysis. This course is designed to upgrade the working skills of senior Papua New Guinean executives and hasten the pace of effective localization.

The aims of the Education Research Division (ERD) are to conduct research and evaluation in preschool, primary, secondary, vocational, tertiary, non-formal and adult education sectors. It also provides advice on educational planning and administration, engages in educational research and training in research and evaluation methods, and contributes to teaching/learning programs in tertiary institutions. This division is also required to assist the National Department of Education and its provincial divisions in

specific research and evaluation tasks required by them to promote effective decision-making. It has further responsibilities in promoting training in educational research and evaluation skills to local staff, and disseminating the results of educational research throughout Papua New Guinea and overseas through reports, articles, seminars, conferences, workshops and lectures.

The Cultural Studies Division is responsible for research, promotion and production of materials in the areas of literature, music and film making. The division's activities include the audio recording and preservation of traditional music, the filming of traditional and contemporary societies and the organization of an annual national literature competition. A further important responsibility of the division is to register and coordinate all overseas researchers' activities in Papua New Guinea and maintain a resource library of such work.

The International Relations and Strategic Research Division has close links with the Department of Foreign Affairs and the Department of Defence. Areas of research and study include international relations, foreign affairs policies for the Pacific, policies for regional defence cooperation, and liaison with the Pacific Forum and related organizations on matters of mutual interest.

Administration and Staff

Presently NRI has a research staff of 16, including heads of divisions, senior research fellows, research fellows and research officers. Research staff are normally engaged on contract for particular periods and projects. National research officers undergo training on various research assignments at the Institute and subsequently complete their post-graduate work overseas.

The divisions are administered by the director, executive secretary, business manager and services manager. The administration is supported by library, computer, accountancy, secretarial and physical maintenance staff. The administrative and support personnel positions are held by Papua New Guineans.

Two full-time editors and a publications officer oversee and coordinate the publications program and preparation of reports.

Visiting Researchers

The Institute encourages short-term visits by researchers with clearly-defined research topics. In many cases these projects are partially completed studies that can be brought to fruition with limited financial assistance from the Institute.

The Institute also grants the status of research fellow and research associate to visiting researchers who are either self-supporting or funded by outside organizations. This recognition is not available to post-graduate students, but is reserved for more senior scholars whose research proposals are consistent with NRI research priorities.

Whereas visiting research fellowships are normally awarded in competition through public advertisement, research associates may be appointed by personal application. Such persons have access to office accommodation, secretarial services and other Institute resources. Few scholars have taken advantage of this opportunity so far, but is hoped that more will be attracted in the future, including Papua New Guinea academics on study leave from universities.

Staff Development

The staff development program is one of the major activities of the Institute. Under this program, promising Papua New Guinean graduates are recruited as research officers, trained in research work and techniques, and then sponsored to undertake honours degree studies locally. Regular three-month appraisals of performance and progress are conducted by the Institute to determine whether a research officer should remain at the Institute and go on to further studies. The aim is to prepare research officers for post-graduate study at a master's degree level in overseas academic institutions—an initiative which will localize senior research positions at the Institute itself, as well as assisting the nation's attempt to localize middle and higher-level positions in the public and private sectors.

The Institute's policy is to reappoint, for a probationary period, as senior research officers, scholars who return to Papua New Guinea with a satisfactory performance in a master's course. A clearly defined progression to the research fellowship follows.

Activities

NRI has been instrumental in hosting seminars and managing conferences on key issues. The proceedings of such meetings are published as monographs, discussion papers or special publications by the Institute, if necessary, in cooperation with any other sponsoring organizations. The Institute's research staff have been encouraged to participate in national and international seminars and conferences. Select in-house seminars on current research topics are presented by members of the Institute's research staff in order to promote discussion and academic exchange on topics which are of interest to the nation.

The Institute provides several important services for its own research officers, visiting researchers and other government departments and authorities. They include an extensive research library; editorial and publishing services; printing and production services; and economical accommodation for visiting researchers.

The research library contains some 10,000 books, periodicals, maps, newspapers and reports that are relevant to the research areas and objectives of the Institute. Visiting researchers, on application to the director, may be granted access to these materials, many of which are not for loan.

The Cultural Services Division also houses a unique collection of research theses which can be accessed in a similar manner. An experienced librarian and assistant librarian are available to assist researchers at the Institute.

The Institute has a strong editorial and publishing section which ensures that all publications produced by NRI researchers are in keeping with the high standard that is set by the Institute. Reports which are prepared by project researchers are also prepared in this way. This section of the Institute is also available to carry out editorial and publishing work for other organizations, at competitive rates.

The Institute publishes a wide range of materials, reflecting the work of core research staff and visiting research fellows and associates. The publishing program is active and ongoing, and oriented towards disseminating the results of research quickly and effectively.⁸ Copies of publications can be obtained direct from the Institute or through normal booksellers.

Finally, in keeping with one of its objectives, NRI provides consulting services to the government and to departments, authorities and agencies of the government. The provision of these services depends on resources available and the current priorities for which core staff have been recruited.

The Institute has also entered the field of quasi-commercial consulting arrangements, where the emphasis is more on intensive field work and the immediate production of results. To this end, the Institute has assisted the government and its agencies in meeting their needs for consulting services, with better quality and greater economy.

Some of the recent consulting projects include social impact studies of the Yonki dam, Misima mining project, and the Gogol timber project; a socio-economic survey of the Cape Rodney smallholder agriculture project; a study on rural electrification; a socio-economic impact study of the Ok Tedi mining project; a study on the national home ownership scheme; an evaluation of the Southern Highlands and Enga integrated rural development project; studies on the use of mineral royalties and reorganizing the retail sales tax collection system in Enga; an evaluation of the Simbu land use project; the development of proposals for a new civil aviation policy; and a socio-economic impact study of rural credit.

In its efforts to develop local expertise, NRI has adopted the policy of employing local staff wherever possible and using overseas staff only when local personnel are not available. This policy conforms to government guidelines on localization and cuts government expenditure.

Although a new comer in the consulting field, the Institute is demonstrating that it is capable of managing and organizing research at a lower cost and with greater skill than most short-term overseas consultants. This initiative also offers the longer-term prospect of developing this capacity among Papua New Guineans who are trained in the Institute staff development program.

Institute's International Links

One of the objects of NRI is to build links with research organizations in other countries. The Institute's link with the Australian National University was an inherited one from the formation of the New Guinea Research Unit in 1961—a link that is further strengthening as interchanges increase.

Since 1977, NRI has become a regular representative at the biennial Asian Association of Social Science Research Councils (AASSRC) meetings. In 1980, the Institute became a full member of the International Federation of Social Science Organisations (IFSSO), which is affiliated with the International Social Science Council. These affiliations have assisted the Institute's research staff in establishing contacts and joint research projects with several overseas research organizations and universities. The East-West Center in Hawaii is just one such contact. Also, through International book series listing agencies such as the Bowker Company (U.S.) and the UNDP-INRES-South Information listing, NRI publications are becoming known worldwide. The Institute has a well established system for mutual exchange of research materials with research libraries in Australia, U.S., U.S.S.R., U.K., Japan, Germany, Africa, Malaysia, Indonesia, Italy and France.

All of these associations will assume increasing importance as Papua New Guinea begins to implement coherent policies of social, economic and educational research.

Up until 1987 there was no separate organization that dealt with foreign policy research and analysis. The International and Strategic Studies Division of NRI was created to cater for such a need, as well as to provide a forum through which the public could participate in the debate on national and regional security and cooperation. In December 1987, the Prime Ministers of Papua New Guinea and Australia signed a Joint Declaration of Principles. This was an important milestone as the Declaration "is a set of fundamental principles that provide the framework for active, well-balanced relationships between two nations which, as neighbours with strong historical association and many common concerns, can promote mutual interests through cooperative effort."

In August 1988, NRI was actively involved in initiating the Papua New Guinea-Australia Colloquium which was held in Townsville, Australia. A major aim was to investigate the application of the Joint Declaration of Principle outside the political arena. Two further aims were to provide the opportunity for broadening and strengthening dialogue on commercial, technical and social issues of mutual interest; and to address selected areas of mutual interest with the view to strengthening or establishing appropriate forms and means of collaboration. Trade and commerce, mining, tropical environment, tropical health and rural development were the broad areas on which a balanced number of participants from both countries who took part. Recommendations arising out of the five broad areas went to the two respective governments for follow-up meetings at ministerial levels, and the responsibility for selected priority initiatives was placed in the hands of persons/institutions identified during the colloquium. The Papua New Guinea Resource Information System, for example, was to be an important data base and it was to be installed at the Institute for the collection and dissemination of information on the results of past and future research in agriculture and rural development. The data base

would be suitable for use by government and private enterprise planners, administrators and extension workers in Papua New Guinea. Under the chairmanship of the director of NRI, the Colloquium II is scheduled to take place early in 1991 at Port Moresby. (The second Colloquium could not be held early in 1989 as planned because Papua New Guinea could not meet its financial commitment.)

Assessment of Impact and Effectiveness

Over the years, the three organizations which comprise the recently established National Research Institute—the Institute of Applied Social and Economic Research (IASER), the Institute of PNG Studies and the Education Research Unit—have each made significant contributions to the development of PNG society. The evaluations that have been conducted have invariably had positive results. The main contributions of IASER were in the areas of application of social and economic research towards assisting the solution of the problems encountered in the process of transition from stone age to space age. The most significant contribution of the Institute of PNG Studies (IPNGS) was preserving and fostering traditional cultures and monitoring foreign research activities. The Education Research Unit has provided material which has contributed to planning and policy-making in all educational sectors. The National Research Institute continues to be active in these areas with priority given to those projects which will assist in formulating practical solutions to some of the problems facing the national government. For instance, in 1989, NRI's main recommendations on a project for a new civil aviation policy were accepted by the national government and are in the process of being implemented by the Civil Aviation Department. This is an example of the practical orientation of NRI's advisory role.

Conclusion: Future Role of the National Research Institute

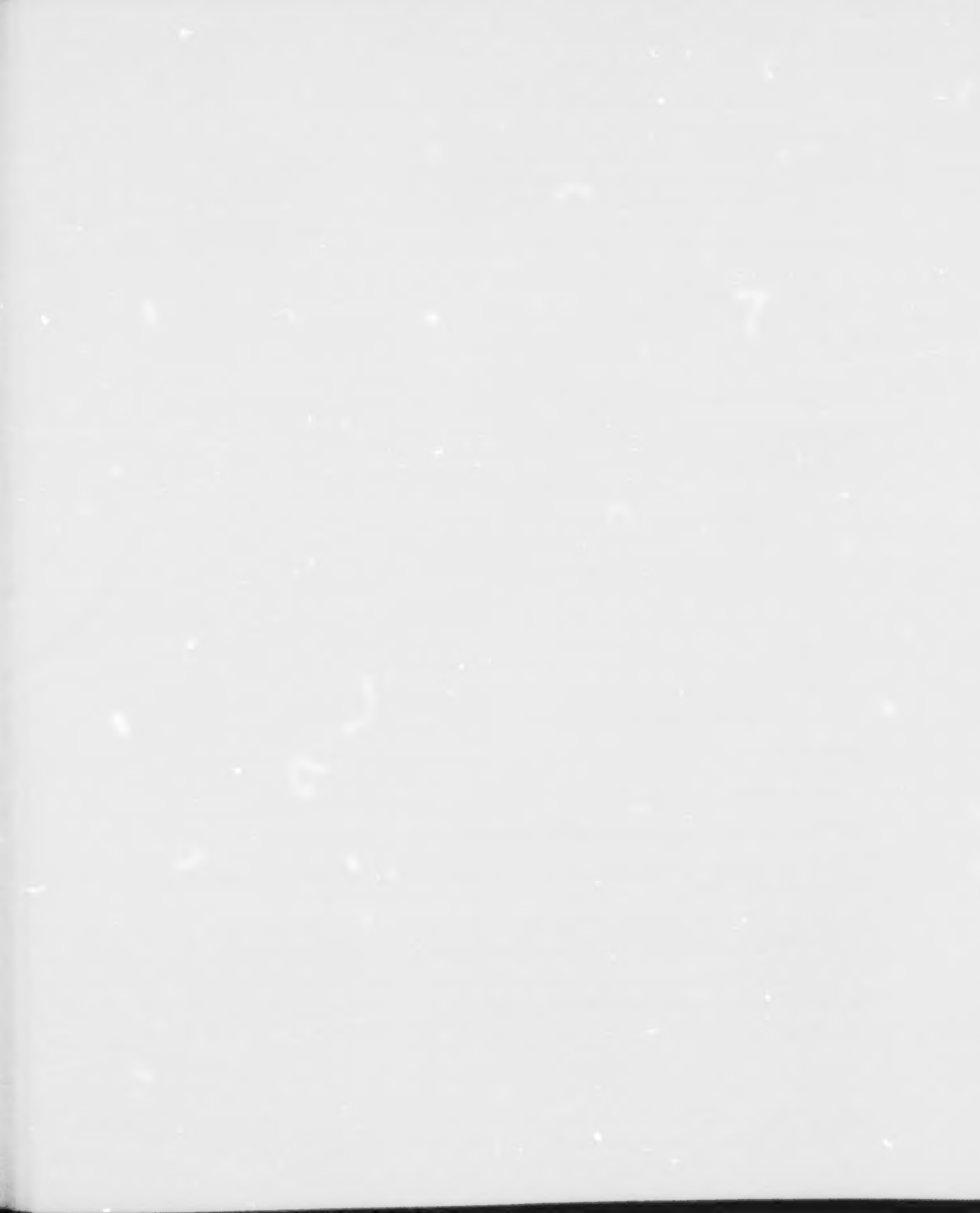
NRI in its present structure has been in place only since 1990. This makes speculation on its future role somewhat difficult. I anticipate that there will continue to be problems associated with funding constraints which will create problems for forward planning. However, I am confident that the recent restructuring of the Institute will enable it to streamline its activities and make possible more cost effective operation. In my view the strengthened NRI will be able to exert greater influence on national public sector policy making and thus be in a position to make a more effective contribution to the future direction of Papua New Guinean society.

Notes

1. These definitions are those offered by Dr. Evert Lindquist at the workshop on "Globalization, Governance and the Role of Think Tanks," Kuala Lumpur, May 1990.
2. Sir Albert Maori Kiki, May 1967, p.167 (as cited by John D. Waiko).
3. Les Groupe, "Cultural Preservation and the National Goals," in P. King, W. Lee, and, V. Warakai, *From Rhetoric to Reality*. (Port Moresby: University of Papua New Guinea Press), 1985, p.295.
4. Ibid.
5. Responsibility and pursuit of these aims and ideals are vested with a Department of Environment and Conservation, which contains an Environment, a National Parks and a Wildlife Division responsible for developing programs and implementing policies.
6. Brian Brunton, *Critique of the Drafting Instructions for the Review of the Forest Legislation and Regulations*, IASER Report, December 1988, p. 61.
7. The National Research Institute is the proposed new name of the Papua New Guinea Institute of Applied Social and Economic Research (IASER).
8. A complete list of its publications is available from NRI.

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Indonesia

Think Tanks in Indonesia: The Centre for Strategic and International Studies

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Introduction

Indonesia is a country and a society which is very much under-represented by research institutions, both in absolute terms and relative to the size of its population. Furthermore, of the few existing research institutions, only a small fraction devote attention to international affairs and even fewer have a policy focus.

It is not the purpose of this paper to examine the reasons for this poor record. A study done more than 15 years ago described this situation and examined the causes for the lack of research programs on international affairs in Indonesian universities. The study observed that an increasing awareness of the interdependency of international and national affairs had spurred interest among journalists, politicians, academics, professional groups and student organizations for intensive, systematic, advanced training and research of international studies in Indonesia.¹ It concluded that institutes or research centres for international studies were most likely to be developed outside of universities. It endorsed the view that a practical option was to establish a community of

government officials, academics, journalists and selected members of the business community to set up an informal core of foreign and international studies specialists which regularly holds meetings and publishes its proceedings to make them available to the general public.

It further noted that

the Centre for Strategic and International Studies in Jakarta has served such a function since its inception. It may require some time, however, before its facilities can be more fully utilized by a wider (and younger) section of the

intellectual and university community in Jakarta and other major cities throughout Indonesia.²

Today, almost 20 years after that study, the country has not seen much progress in the development of institutes and research centres on international affairs, particularly those with a policy orientation. The Indonesian Institute of Sciences (LIPI), which is a government institution, does have under its umbrella a Centre for Research and Development on Political and Area Studies (Pusat Penelitian dan Pengembangan Politik dan Kewilayahan), which devotes some of its staff and resources to international studies. However, the Institute's task, as stipulated in the Presidential Decree No.1 of January 13, 1986, is to undertake research and to provide suggestions to the government on national policies in the development of science and technology. In this sense, its mandate lies more in the field of scientific development than in the realm of policy.

Another prestigious research institution which does some research in international economic problems is the Institute for Economic and Social Research (LPEM) of the Faculty of Economics, University of Indonesia, Jakarta. Its work in this area, however, appears not to be based on a research agenda. Instead, it is incidental; that is to say, in response to contracts awarded by various government agencies. Furthermore, although it does look at international issues, the emphasis of its research is in the domestic arena. Meanwhile, within the university community, an Inter University Centre (IUC) for the study of international relations has been established and coordinated from Gajah Mada University, Yogyakarta (Central Java). Its main task is the development of curriculum and coordination of research.

In addition to the above, one needs to mention the few other institutes which emphasize policy. The Centre for Policy Studies (CPS) is a small private institute which devotes its work entirely to research on domestic economic policies and development. This Institute is linked to two consulting firms, Indoconsult and Redecon, both led by a senior economist and former economic minister, Professor Soemitro Djojohadikusumo. The Centre for Policy and Implementation Studies (CPIS) is an in-house research facility at the Ministry of Finance. It is also headed by a senior economist and former economic minister, Professor Ali Wardhana. Not much can be said about this Institute because its research results remain confidential, although it is known that its work is confined to domestic socio-economic problems.

This brief overview suggests that perhaps the Centre for Strategic and International Studies (CSIS) is the most appropriate institution to choose as the focus for this paper. CSIS now has earned:

the reputation as the most influential institute of its kind in Indonesia. Its extensive publications program in Indonesian and English provides important sources of information and research for a wide variety of civilian and military personnel engaged in research and teaching, both within Indonesia as well as abroad.³

It has also been stated that

over the past ten years CSIS has broadened its links with many factions and groups who were initially suspicious of its links with the Indonesian military

in the early 1970s. In the past five years, many prominent and young Islamic leaders have participated in a number of conferences and seminars which CSIS jointly holds with regional as well as extra-regional institutes of international studies.⁴

The role of CSIS as an Indonesian think tank with an international focus will be the subject of this paper. The following sections will briefly describe its origins, set-up, activities and impact on the policy process.

The Origins of CSIS

CSIS is a private, non-profit research institution which was established on September 1, 1971 and is located in Jakarta. Its origin has been described by CSIS itself in the following way:

Before this institution was established formally, its activities were carried out in an informal manner since 1968 by two groups of young Indonesian scholars who had recognized that not enough interest was paid to the problems of strategy and international relations in Indonesia. One group consisted of young scholars who lived in Jakarta and worked in various fields of activities. The other group consisted of students and post graduates who were studying at various foreign universities, particularly in Western Europe. As a result of the development of academic and personal relations between these two groups, the idea of establishing the Centre had emerged. With the full support of Messrs. Ali Moertopo and Soedjono Hoemardani, together with the formation of 'Yayasan proklamasi' (Proclamation Foundation), the above-mentioned idea could be realised in the last quarter of 1971.⁵

It is important to understand the genesis of CSIS because of the political factors and circumstances that were involved. An outside observer has written that CSIS was established:

... under the leadership of two law graduates of the University of Indonesia, Jusuf Wanandi and Harry Tjan Silalahi. CSIS was established under the patronage of two senior military officers close to President Soeharto, Ali Moertopo and Saedjono Haeemardani who between them roughly supervised over political and economic affairs respectively. CSIS was established primarily to advance interest in international affairs and strategic studies, which had never had high priority among the higher echelons of government during Soekarno's guided democracy. Ali Moertopo's close association with President Soeharto as his special operations officer had underscored the need to establish a think tank capable of providing intellectual and policy support to the government. Soedjono Hoemardani's extensive links with business circles, particularly in Japan, provided the economic underpinning to CSIS' extensive activities throughout the 1970s, making it the premier centre for international exchange with many important factions in other ASEAN governments, most notably Malaysia and Singapore.⁶

The foreign graduates involved in the creation of CSIS did not arouse the political controversy that befell their colleagues who were politically active in Indonesia,

particularly in opposing the Old Order regime of Sukarno and later in the formation and consolidation of the New Order. In this latter group was found Harry Tjan Silalahi, Secretary General of the Indonesian Catholic Party and a leader of the Front Pancasila that was at the forefront of the political and ideological fight in the mid 1960s. So too was Jusuf Wanandi who was actively involved in the development of the new political party supporting the New Order government, the Golongan Karya or Golkar, as well as in the effort to successfully hold the first general elections in 1971.

It was, however, the active involvement of the two personal assistants of the President, Ali Moertopo and Soedjono Hoemardani, which was the main cause for the political controversy over CSIS' position and role. Ali Moertopo was head of Suharto's special operations during the crucial early years of the New Order government. In that position, his main task was to "get things done," and this task was pursued in disregard of the formal political and bureaucratic mechanisms which were mostly inoperative or very weak. This expediency created a lot of resentment from various circles within the government, including the military establishment itself. Ali Moertopo was also given the task of restructuring Indonesia's political institutions, including the development of Golkar and the merger of the many political parties in two parties. He also took initiatives to establish and strengthen professional organizations, such as the association of farmers, fishermen, journalists, and labour, as well as supporting the development of legal aid institutions. Thus, during his most active years, he had developed a great number of friends and foes.

Much has also been written in both the domestic and international media about Ali Moertopo's active involvement in external affairs. This activity began as early as the mid 1960s when he was involved in the preparations to end Indonesia's confrontational policy towards Malaysia and the concomitant process of improving relations with Malaysian leaders. It was during this time that he developed close relations with Tan Sri Ghazali and other Malaysian politicians. These political initiatives were based in Bangkok and Singapore, which provided him with the opportunity to develop relations with Thai and Singaporean officials as well—notably from the intelligence community. It is reported that Ali Moertopo was also engaged in the initial talks on the establishment of a regional association that later resulted in the formation of ASEAN.⁷

Soedjono Hoemardani was an equally controversial figure. His close personal association with the President, extending to family matters, had at one time unfairly earned him the reputation of an Indonesian Rasputin. In addition, because of his close relations to Japan and Japanese business circles he was often seen as an agent of Japan. Soedjono's close relations to Japanese policy-makers developed through the personal contacts he made as envoy of the President since the beginning of the New Order.

Thus, Ali Moertopo and Soedjono Hoemardani's direct involvement in CSIS, made possible a wide array of relations with policy-makers from a number of countries. Because of their diverse external contacts and because of their controversial role in the domestic political scene, they have been accused of being "agents" of all kinds of suspect interests such as the CIA, the KGB, Israel, Taiwan and multinational corporations. Whatever negative effects these allegations might have had on CSIS' public image, the fact was that when CSIS was established in 1971, it did not have to start from zero in

developing relations with the outside world. These international contacts were supplemented by the Indonesian scholars who were completing their studies in Western Europe and were developing relations with a number of centres for strategic and international studies in Germany, the Netherlands, Belgium, France and Great Britain.

Given this background, it is no wonder that outside observers called CSIS and its staff by all kinds of names. In an analysis of Indonesian views on conflict and cooperation in the Asia-Pacific region, an Indonesian academic devised the following groupings: the nationalists, the neo-nationalists, the armed forces, the (economic) technocrats, and the CSIS intellectuals which he also called "the New Order ideologists."⁸ He concluded that the views of CSIS intellectuals are similar to those of the armed forces on some issues and close to those of the technocrats on others. Nonetheless, they were seen to form a distinct group or school of thought. Others have described CSIS as being in the "extreme centre" of the political spectrum.

Objectives, Set-up and Activities

The main objective of CSIS is to engage itself in policy-oriented studies, both international and domestic, which are closely linked to global developments. To achieve this objective:

CSIS has a permanent staff of analysts, and the CSIS staff also includes a number of consultants and correspondents from academic circles, the youth, students and journalists, and from industrial, financial, commercial, and labour circles. In doing so the Centre opens the way for the development of inter-disciplinary studies on the one hand, and on the other, it exerts its efforts to accumulate a variety of intellectual views in an orderly atmosphere, but nevertheless, in an atmosphere of freedom of inquiry.⁹

CSIS is sponsored by a corporate body named "Yayasan Proklamasi" (Proclamation Foundation) which was established in Jakarta on July 12, 1971. In 1974 the Proclamation Foundation granted CSIS an endowment fund. The source of the endowment fund was exclusively private sector contributions. However, as stated in its notarial act, the Proclamation Foundation delegates to CSIS its responsibilities to conduct studies, seminars and training on relevant matters. In fact, CSIS has been given autonomy in all of its activities. The Centre's current annual total budget is about US \$1 million. The income from the endowment, which CSIS manages, constitutes its main source of financing. This is supplemented by direct private sector donations and assistance from overseas foundations for special projects. Receipts from the sale of publications remain an insignificant portion of total receipts.

The Centre has a board of directors, which is its policy-making body. The board meets twice a year to determine the research agenda and related activities, and to discuss matters of finance and policy. This board is assisted by a small supervisory board that oversees the day-to-day activities of the Centre as implemented by the executive director. The executive director coordinates the work of four research departments: international

affairs, economic affairs, political affairs and socio-cultural affairs. The executive director is assisted by a vice director and three assistant directors, in charge of administration and finance, publication and public affairs.

As of April 1990, CSIS had 50 professional staff members or analysts, assisted by 60 administrative and services personnel. The Centre has a library, which is open to the general public, specializing in strategy and international affairs, political economy and public policy. It also has a special library for Japanese studies. CSIS is not a training institution, but its staff members provide assistance and guidance to students. Several staff members lecture at various universities or teach regular courses organized by government agencies.

Of the 50 full-time professional staff, 7 have Ph.Ds in various fields, and five more will complete their post-graduate training in Indonesia or abroad within the next two years or so. When that happens, about 25 percent of CSIS staff will have a Ph.D degree, which is far above the proportion that can be found in most research and academic institutions in the country today. About 44 percent of the staff has received graduate training abroad, and 16 percent are women, one of whom is an assistant director and two are heads of research departments. The average age of the staff is 40 years, the oldest being 64 and the youngest 24. About 30 percent of the staff have been with CSIS for 15 years or more, another 50 percent have been employed for more than five years, and the remaining 20 percent have joined CSIS during the last five years.

Since its inception, establishing international linkages has played an important role in CSIS' agenda. The first activity of this nature was a series of bilateral conferences and seminars on Indonesia's external relations which took place in late 1972 in France, Germany and the Netherlands. The first international seminar that CSIS held in Indonesia was the First Franco-Indonesian Conference which took place in July 1973. This was followed by the First Indonesia-Japan Bilateral Conference at the end of 1973 which set the pattern for future CSIS bilateral conferences with a wide variety of countries. Bilateral conferences are given importance as a way of generating policy relevant information and promoting a frank and open exchange of views with the aim of developing mutual understanding among participants from various walks of life. CSIS has held numerous bilateral seminars since 1972, bringing together Indonesians and analysts from many other nations including Japan, France, the United States, India, West Germany, Australia, Canada, the U.S.S.R., New Zealand, Papua New Guinea, Singapore, Malaysia, Thailand, Korea and Vietnam.

CSIS has also been very active in regional and international initiatives. In support of the Association of South East Asian Nations (ASEAN), CSIS organized the first regional seminar of scholars and policy-makers on ASEAN development in 1974; formed an association of ASEAN institutes of strategic and international studies (now known as ASEAN-ISIS); and has played an ongoing role in socializing ASEAN within Indonesia. With regard to the Pacific Economic Cooperation Conference (PECC), CSIS has participated in the PECC process since 1980 through the convening of meetings; providing input to, and arranging the participation of Indonesian officials in, PECC activities; and by serving as the secretariat for the Indonesian national committee for PECC. Finally, CSIS has been involved in international humanitarian activities such as

cooperating with the International Committee of the Red Cross and the United Nations High Commissioner for Refugees on issues pertaining to Vietnamese refugees.

CSIS has a varied research agenda, including studies on the globalization of the economy, the results of which are published and distributed as books, monographs, research reports and periodicals. CSIS journals, *Analisis CSIS*, now a bi-monthly publication in Indonesian (initially issued as *Analisa Masalah dan Peristiwa* and then issued as *Analisa*) began in September 1971; and *The Indonesian Quarterly* (in English) was first published in April 1972 and is now in its 18th year.

What is not generally understood by the public is that CSIS does not produce official positions or recommendations on its behalf. The reports and analyses which CSIS publishes bear the names of their respective authors. The Centre is only responsible for their quality and objectivity. Thus, it is incorrect to talk about CSIS' view or stand on an issue. It is not unusual to find different and conflicting views on certain issues among CSIS staff, even in published form. Nonetheless, as a result of intensive interactions and internal discussions, views on important policy issues tend to converge. CSIS research and studies are almost exclusively generated in-house and are self-financed. Only in very unusual cases does CSIS accept contracts from outside agencies.

Impact on the Policy Process

Although the slate of CSIS activities is quite impressive, it is nevertheless reasonable to ask whether CSIS remains influential in regard to the formation of public policy in Indonesia, particularly since the passing away of both Ali Moertopo and Soedjono Hoemardani. It is not easy to measure CSIS' influence. However, it is almost certain that its standing in the past rested with its direct link to the centre of power through Ali Moertopo and Soedjono Hoemardani. (To the surprise of many observers, in his recently published biography President Suharto has denied their important role in policy decisions. This, however, has been interpreted by some analysts as a statement that Suharto makes not so much to discredit his former aides, but mainly to show that he has always been in full control of the policy process.) The role of these two patrons cannot be replaced. And it is also not in the interest of CSIS to recreate it. It was, in a sense, a historical accident. Thus, CSIS' link to the policy establishment has become less direct and more diffused. As a result, its input to policy—and the corresponding effectiveness—has also become more diversified and less tractable. On the other hand, support for CSIS activities is more broadly based than before and its position and role has become less controversial. In a sense, its reputation today is more of that of an institution producing objective and relevant research and information, especially for the public. The Centre's leadership itself is currently far from being certain about what this changing nature and role of CSIS, as well as what the changing public perception towards CSIS, means for its contribution and relevance to policy making. Effectively responding to these changes is the challenge the institution faces.

Notes

1. Juwono Sudarsono, "International Studies in Indonesia: Problems in Training and Research," *The Indonesian Quarterly*, Vol.II, No.3 (April 1974), pp.2-13.
2. Ibid., p.11.
3. Juwono Sudarsono, "The Role of Governmental and Private Interests and Organisations in ASEAN Co-operation," *The Indonesian Quarterly*, Vol.XVI, No.1 (January 1988), p.21.
4. Ibid.
5. CSIS, "CSIS 1971-1981," p.51.
6. Juwono Sudarsono, "The Role of Governmental . . .," p.21.
7. See, Michael Malley, "Soedjono Hoemardani and Indonesian-Japanese Relations 1966-1974," in *Indonesia*, No.48 (October 1989), pp.47-64.
8. Dorodjatun Kuntjoro-Jakti, "Political Environment for Korean-Indonesian Development Cooperation: An Indonesian Perspective," in *Indonesia and Korea: Policy Issues for Long Term Development Cooperation*, (Jakarta: CSIS, 1982).
9. CSIS, "CSIS 1971-1981."

Thailand

The Role of Think Tanks in a Shrinking World and an Increasingly Complex Society: The Case of Thailand

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Introduction

The objective of this paper is to consider the role of think tanks in the context of Thai society and the globalization process. It will begin by examining the cultural background of the society with respect to planning and research activities. Then, the globalization process and the increasing complexity of the Thai society, both of which demand planning, will be briefly described. The paper will consider Thailand's response to the changing situation in the context of its research environment. Some analysis of the planning process and utilization of research results will be made. Then, the emergence of the Thailand Development Research Institute (TDRI) and its activities will be examined. As far as possible, the contributions of TDRI, and other academic research institutions and individual researchers, to policy planning will be evaluated and compared. The paper will end on some observations of the future for think tanks in Thailand.

Thai Society and Planning Process: The Socio-Cultural Milieu

Pragmatism and flexibility are known to be the dominant characteristics of Thai society. In the past, government policy tended to conform to the interests of the governing class or cliques. Long-term planning was minimal because such action was itself in conflict with a high degree of flexibility. Planning was one thing, actual practices were quite another. In the process of policy implementation, flexibility was curbed, as well as reinforced and supplemented, by a sensitive awareness of power and strength and the ability to

compromise. On the one hand, these qualities enabled the government to carry out its day-to-day operation and ensured the survival of the bureaucracy and its dominance by reducing conflict and opposition. On the other hand, they were not conducive to an appreciation of research and long-term planning. It was, nevertheless, possible to operate in this manner in a society that was less complex than today's, in which interactions with industrial nations and international organizations were also less frequent and less intense.

Policy, Planning and Research Environment

The end of the Second World War marked the beginning of the period in which Thailand was brought more fully into the international arena. The intensity of interactions between Thailand and other nations, particularly the United States, and international organizations was on the increase. The Cold War, which began in Europe around 1948, spread into Asia and Southeast Asia with the establishment of a communist regime in China (1949), the Korean War (1950-53), and the French defeat at the hands of the Viet Minh in Indochina (1954). As a consequence, the United States relied on Thailand as a bastion against communism and increased its aid accordingly. Between 1951 and 1957, Thailand received \$149 million in economic aid and \$222 million in military aid. The aid supported the expansion of the port of Bangkok, the improvement of roads and railways, and technical assistance in the fields of agriculture, education, irrigation and economic planning. Thailand's increasingly complex society, and the need for development as a measure against insurgencies, demanded planning. Policy planning was also encouraged by aid donors and international monetary institutions such as the World Bank. Thus, the National Economic (and Social) Development Board (NESDB) was created in 1959 to be the central planning agency of the government.

When the idea that planning is a necessary part of development had been accepted, largely to please Western donors and lenders, NESDB and other government departments found that their staffs were too busy to do research in preparation for planning purposes. They therefore sought assistance from other sources such as university academics and private consultants.

The selection of who provides assistance in the planning process is made on a personal basis, rather than on institutional affiliation. There are many reasons for this method of selection. The first is that Thai's place great value on personal connections. The person and his personal quality is most important. Personnel of an organization or an institution are attached to its leader on a personal basis and the existence and fate of an institution depends upon the capability of its head. (This applies even more to research institutions attached to the universities.) The second reason is related to the first, and may partly explain the difficulties in establishing a lasting research institute in a university setting. Researchers who conduct research for research institutes are most often full-time faculty members. The universities regard teaching and producing graduates as their most important obligations. Little value is placed upon research and

those who are engaged in it are often looked upon as being selfish for seeking additional money for research while giving the burden of teaching to the others to bear. Thus there is always tension between the faculties or departments and the research institutes over the use of university personnel. Finally, because the salary of the university staff is low, additional income can be obtained from doing research, or by "moonlighting" (for instance, teaching at private educational institutions in the evening or on weekends).

When academics undertake research activities, they do so through two channels—as researchers at research institutes, or as a consultant with a consulting firm. Obviously, the ability of an institute to do research depends upon the quality of its researchers. Although, the institute would generally be equipped with a few junior researchers, for senior researchers it has to depend upon faculty members. Its selection of faculty members is limited by its obligation to be fair to all university faculty and the willingness of particular individuals. It cannot select only the ablest researchers. Nor can it reward research with a high payment due to concern about jealousy of other university staff. On the other hand, the most capable among the faculty members are often invited to be consultants, or members of teams from private consulting firms, and these private organizations pay very well.

Thus, to reiterate, the existence and fate of the institution depends critically upon its head. If the head of the institution is a well-recognized researcher and able to obtain contracts for research and external support, the institution fares well. But when the head of the institution is unable to do so, the institution suffers, and even the staff will want to move. It is, therefore, difficult to build up or even sustain the strength and performance of an institution after a change of leadership.

One important consequence of this situation is that there is no continuity in the line or area of research, and there is hardly any accumulation of data over time on any specific issue. Another is that the topics of research tend to be dictated by donor demands. Academics are involved in investigations of many separate issues and it is difficult to build up a body of knowledge on any particular issue. In my opinion, there has not yet emerged a real academic community in Thailand.

Policy Research and Think Tanks in Thailand

The transformation of the Thai society in the 1960s and 1970s has been described elsewhere in detail and will not be repeated here.¹ Suffice to say that there has been an average annual per capita income growth of almost five percent, and a rapid transformation in the structure of production, with the share of agriculture in total value-added declining from 40 percent in 1960 to 25 percent in 1980. The Thai economy has also become increasingly linked with the global economic system through exports, which now include a very high proportion of manufactured products, and through a dramatic increase of foreign investment.

The Thailand Development Research Institute (TDRI) was established and began its operation in 1984. Its formation was closely linked with globalization issues as Thai decision-makers recognized the need for an institute that could provide research and advice to facilitate Thailand's transition to an industrialized participant in a global economy. In the *Feasibility Report on the Establishment of an Economic and Social Policy Research Institution of Thailand* done by Thai University Research Associate (TURA) it was stated that: "attempts have been made in the past to make use of the academic community and institutions to undertake studies for such purposes, but again the results have not been fully satisfactory."² The Feasibility report goes on to say:

The National Economic and Social Development Board faces the same types of problems. In the process of formulation of national development plans, for example, the NESDB has used extensively technical assistance from experts and researchers from academic institutions. This is particularly true in the case of the preparation of the Fifth National Economic and Social Development Plan. The product of these studies vary widely. Many of them were not found useful for the purpose of Plan formulation.³

Planning needs basic data to support it. Although it is true that the planning process involves many academics, their research is not generally undertaken with the aim of using the results for policy formulation. In this respect, TDRI is an innovation, and a relatively successful one.

To date, TDRI has completed 51 research projects, has 31 ongoing, and 12 more in the pipeline. TDRI has had considerable success in influencing the policy process and outcome in Thailand. Its reports and studies have been utilized in the Sixth National Economic and Social Development Plan; it has had considerable impact on decisions regarding large-scale investment projects such as the Eastern Seaboard Development Project; and its work has influenced numerous government decisions in the areas of trade, monetary, energy and environmental policy.

Why is it that TDRI has been so successful in comparison to other research organizations? The first consideration is that TDRI is not a government agency. It is an independent organization, yet it works closely with the government and its planning agencies, especially NESDB. The second factor is that TDRI, with its relatively high salaries for researchers, and its prestige (owing substantially to its connection with the government, and the status of its chairman of its board of trustees and its president), is able to recruit distinguished researchers and compete in this respect with private consulting firms. Related to this point, is the fact that TDRI's management is able to focus its top researchers on TDRI's research priorities, utilizing various databases, some of which have been brought to the institution by the researchers themselves. TDRI has, however, another important advantage. Every researcher wants to see his research results being utilized. TDRI's close connection with the government gives the researchers that assurance. For its part, the government, when it wants advice in connection with policy formation, can look to qualified persons found in TDRI. In sum, TDRI has managed to build an institution where others have failed.

With its aim of generating information, with a core technical staff, that will appear largely in published form, TDRI is an information-centred institute. The purpose of its

convocation activities is to feed into the process by which information is generated, or to market studies once completed. In this respect, it can be observed that some of the people involved in the creation of TDRI, particularly those from NESDB, had originally thought of another model. That is, a small unit contracting out information-gathering activities to other research institutes. Because TDRI does not operate in this manner it is accused of brain-draining the academic institutions. Such accusations are only partly true. TDRI contracts with university-based academics to work as full-time researchers on specific projects and for a specific period of time only. In fact, when they return to the universities, the experience they have obtained from working with others in TDRI may contribute to their long-run performance, both in research and teaching. In the short run, however, it would seem that those institutes are deprived of their most productive manpower.

It is difficult to choose between bringing in researchers to work full time or contracting out research projects. Considering the academic environment, and the various research institutes therein, it is unlikely that TDRI would have been able to effectively serve the purpose for which it was set up, or able to obtain the prestige it has now, if it has chosen the latter route. The quality of its research have been extremely difficult to control. On the other hand, if it had gone the contracting-out route, TDRI would be able to help build up the strength of various institutes and would be much more popular among them than it is now.

Conclusion and Future Prospect

Thailand's academic and research environment have made TDRI the only prominent policy research institute in the country. The atmosphere of research in Thailand is changing however. With the existence of TDRI, as well as the awareness of globalization and its impact of policy implementation, a large number of organizations, including academic institutions and non-governmental organizations which are working at the grass-roots level, would like to have their voices heard in the policy-formulation circles. They have begun concentrating on critical problems of Thai society and unifying the research activities at TDRI into a meaningful whole. The first major unified research initiative of this sort is the project "Thailand towards the Year 2010: The Dynamics of Thai Development and Strategies for the Future." This is a gigantic project. Will TDRI do it alone, or will it sub-contract to other research institutes? Will other institutes be able and ready to perform their parts of the project efficiently and produce a report of high quality? These questions remain to be seen.

Notes

1. See Chai-Anan Samudavanija, "Economic Policy-Making in a Liberal Technocratic Polity," in John W. Langford and K. Lorne Brownsey (eds.), *Economic Policy-Making in the Asia-Pacific Region*, (Halifax: The Institute for Research on Public Policy, 1990), pp. 182-184.
2. Thai University Research Associate (TURA), *Feasibility Report on the Establishment of an Economic and Social Policy Research Institution of Thailand*, as cited by Akin Rabibhadana.
3. Ibid.

New Zealand

Think Tanks and Quangos in New Zealand

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As is true of other economies for which international trade has long been important, the New Zealand policy community has not found globalization to be a major challenge to its preconceptions. Interdependence between New Zealand and the international economy has always been a major component of policy discussion. The relative significance of different parts of the world, and the development of modern communications have modified that traditional stance rather than introduced a new element. New Zealand is, however, experiencing wider social diversity. It faces the challenges of incorporating into the policy process stances which are more varied and held with greater intensity. Exploration of options and bridge building between different elements of the policy community have become more important.

Role of Government

In a book in which globalization is a prominent theme, it might seem strange to begin by insisting on the importance of local variety. But the place of think tanks in New Zealand

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cannot be understood without appreciating that New Zealand is a small society which has, until recently, acted as though it were socially homogeneous. Specialization has been limited by the size of the population, and by a strong commitment to the primacy of government which is only now being questioned. New Zealand evolved as a country of settlement, and long ignored the persistence of a distinctive Maori component. While European observers and diplomatic historians concentrated on the slowness with which New Zealand adapted its constitution to the formalities of independent status, settlers in New Zealand quickly established local control over what they regarded as important, in part, by adapting British ideas to local realities. They established their freedom to act independently of Britain in trade relations by the 1870s. New Zealand was never a *laissez-faire* country in the sense that Britain was. A small community found it convenient to use the state apparatus for all manner of tasks not regarded as appropriate for state action in nineteenth century Britain. I have elsewhere summarized the role of government in New Zealand before the 1930s as follows:

First, government undertook those activities which by their nature required governmental intervention; it inherited diplomatic and public order functions from Britain. Thus it created diplomatic offices, provided police and a court system, and exercised the power to borrow on the security of the essentially coercive power to levy taxes to fund repayments and interest obligations. The last of these was much more important, and the first much less, than in England. Second, New Zealand governments inherited powers to protect New Zealanders against foreigners, but this meant not gunboat diplomacy but the use of government corporations or government patronage of local concerns to compete with overseas business interests in New Zealand. Third, government used its ability to balance the powers of competing interests within New Zealand so as to maintain the close-knit and homogeneous character of a small settler community. Balancing interests could be defended in the terminology of *laissez-faire*; British governments thought it legitimate to intervene when parties to a contract were not regarded as equal in power and able to look after themselves, as in matters like the working hours of women and children and, eventually, workers' compensation. But New Zealand governments carried the principle so far as to leave doubt over whether there was any area in which the government did not have a legitimate interest. Furthermore, in New Zealand, government was overwhelmingly central . . . from the 1870s local government was weak relative to central. This is not unexpected in a community which even in 1930 was only 1 1/2 millions in number. Central government was always accessible, and the colonial instinct was to use its power and institutions wherever they were likely to be useful irrespective of European ideas of propriety. European observers thought that New Zealanders practised socialism without doctrines, but they thought in European terms. New Zealanders simply found new roles for government in a pioneering society.¹

The New Zealand government, therefore, developed a range of business organizations—the railway system, the State Fire and Government Life Insurance Company, the state coal mines, the New Zealand Electricity Department, and various marketing authorities.

Following the depression of the 1930s, the government added a continual responsibility for economic and social welfare to what had previously been essentially a "firefighting role," using the power of the state to deal with the particular problem of the moment. Keynesian thought was readily absorbed, so that the government became

responsible for the key economic objectives of economic growth, full employment, low inflation and a satisfactory balance of external payments. At the same time, earlier efforts to deal with particular social issues such as old age pensions (introduced in 1898), and subsidies for dependent children (introduced in 1926), were combined with increased government expenditure on education and health services. These initiatives generalized, as they did in many other countries, into a welfare state. New Zealand was unusual in that significant steps towards a welfare state coincided with greater government direct intervention in the economy. In 1938, just as a significant Social Security Act was introduced, the government responded to a balance of payments crisis by using import licensing and exchange controls. In many countries, these instruments were seen as appropriate to a war-time emergency, but in New Zealand they were presented as part of a coherent strategy designed to insulate the economy from external influences.

Government, therefore, gained an unusual degree of monopoly over policy determination. There were, of course, significant critics of government policy—facilitated by a longstanding system whereby political power was contested between two major parties and influenced by minor parties. But the policy-making process can reasonably be conceptualized as a centralized one in which officials were preeminent. Outsiders could be drawn on by officials, or could affect the policy agenda by putting issues on to the political agenda, but until the 1950s there was little room for institutionalized centres of policy thinking outside of government. Even after that, governmental and quasi-governmental bodies remained dominant.

Recent changes have had a marked impact. A new government, elected in 1984, faced with uncongenial trends in overseas debts, and intent on pursuing its conception of efficiency and equity, has made a determined effort to secure better use of New Zealand's resources. This has included a searching review of the public sector. The declared aims have been to improve the quality of government expenditure, to take government out of complex businesses which produce private services and which are better organized outside the confines of public sector procedures, and to improve public service performance in those activities which governments have to perform. It has been difficult to persuade people that this is different from a "new right" agenda of returning to a minimalist state. It has even been difficult to distinguish between the propositions that some activities are better organized outside the public service and that the public service before 1984 was inefficient and more concerned with its own comfort than the well-being of New Zealanders. It is the former conclusion, not the latter, which has guided government policy, but this has not always been understood or accepted by the critics of that policy. The process has therefore been contentious and complex.²

Think Tanks

Given this dominance of government, think tanks do not have prominence in New Zealand's history. Ministers have derived advice from various sources. Individuals were brought in as advisers to a minister or an institution as early as the 1930s when the

newly-established central bank appointed an academic as economic adviser, and continued to host academics intermittently even after it had developed its own economic department. Royal commissions and commissions of enquiry were also used as devices for bringing in outside policy advisers. But it is difficult to identify anything which can be regarded as a think tank before the end of the 1950s. Even more recently, the nearest New Zealand equivalents include a large element of government activity, especially quasi-autonomous, non-governmental organizations, or quangos.

The organizations which this paper deals with are the New Zealand Institute of Economic Research, the Centre for Independent Studies, the New Zealand Business Roundtable, the Institute for Policy Studies, the Law Commission and the New Zealand Planning Council. If we looked more widely, we could include organizations which have an interest in particular fields of policy. A leading example is the New Zealand Council of Educational Research. But its focus has been on the improvement of service delivery rather than policy. We could also find organizations which provide a forum for discussion, such as the New Zealand Institute of International Affairs. Although this Institute provides an opportunity for outsiders to comment on foreign policy and it sponsors publications, its focus is on understanding, rather than on policy formation. It is not an identifiable unit for which policy is the principal concern, but instead resembles groupings of academics with related interests, some of which may have a policy input such as Victoria University's Institute of Criminology and Industrial Relations Centre, or the Centre for Resource Management shared between Canterbury and Lincoln Universities.

There are also many overlaps with sectional interest groups. The New Zealand Manufacturers' Federation, the Federated Farmers of New Zealand, the Council of Trade Unions and many others sponsor activities which could be routed through think tanks. In the 1960s and 1970s, the New Zealand political system was often, and usefully, conceived as one which gave great attention to negotiation among sectional interests. The number of organizations with some policy interest is therefore large.

New Zealand Institute of Economic Research (NZIER)

In the 1950s, there were several suggestions that debate about economic policy in New Zealand could be improved. A Royal Commission into Monetary, Banking and Credit Systems was established in 1955 after a Social Credit (Douglas Credit) Party won a share of the vote in the 1954 election; a development which was disconcerting for the major political parties. The commissioners duly investigated and dismissed various social credit theories, but they also took the opportunity to make a thorough review of the New Zealand economy and economic policy.³ Their report included recommendations for more independent input into policy making. From the subsequent discussions emerged both the Monetary and Economic Council (discussed under the New Zealand Planning Council) and NZIER.

The basic conception of NZIER is well summed up in its name, an institute of economic research. It was founded based on the belief that economic policy would be

improved by better theoretical and empirical understanding of the New Zealand economy.

NZIER drew on several streams of thought. There was a substantial academic element. Professor Horace Belshaw, who had been a ministerial advisor in the 1930s, and had worked with the Food and Agricultural Organization and was therefore familiar with think tank contributions overseas, had returned to the chair of economics at Victoria University of Wellington (as it subsequently became) and was a strong advocate of an independent research unit. Sir Frank Holmes, who will figure in several of the agencies discussed here, was seconded from his academic post to be a secretary to the royal commission; his consistent advocacy of the value of outside contributions to the policy-making process was begun very early. In 1959, he succeeded to Belshaw's chair of economics and was able to ensure that there was a warm academic welcome for NZIER. The Reserve Bank had continued to facilitate the study of policy issues by academics and provided a substantial contribution to the funds of the Institute. (Such funding had the advantage of being more distant from political influences than direct government sources.⁴)

NZIER was formally founded as an independent, non-profit, incorporated society in 1958. Dr. Conrad Blyth, a New Zealander, was recruited from the National Institute of Economic Research in London, and began building NZIER into a significant research unit. The Institute was initially housed at Victoria University of Wellington and enjoyed a close relationship with the university's department of economics. Its first publication was a study of New Zealand's economic growth in the 1950s. Among its other early publications were works on freer trade with Australia and the tourist industry.

The Institute was always intended to attract support, both financial and otherwise, from the business community. In addition to its research monographs, which are indistinguishable from works which might originate in university departments, it began a publication series intended to assist both with policy formulation and with providing business decision-makers with the best possible information about the context in which they worked. The *Quarterly Survey of Business Opinion* began in 1961 and continues to be the tool to which New Zealand economists turn for measures of business confidence and expressions of investment plans. *Quarterly Predictions* began a few years later and achieved preeminence in the field of short-term forecasting of the New Zealand economy. In addition, the Institute undertook contract work for business clients, especially those who became members. Partly because of space shortages at the university, and partly because contacts with the business community were increasingly important, NZIER moved off the university campus. However, it continues to use academics as consultants.

The Institute is governed by a board of trustees. The director of the Institute, the vice-chancellor of Victoria University of Wellington, a leading member of the university's department of economics, the governor of the Reserve Bank, and until recently, the secretary of the Treasury, are members *ex officio*. Most members have, however, been leading members of the New Zealand business community. The board is essentially a self-regenerating oligarchy of people who value the work of the Institute. The Institute's directors have been academics or Institute staff, and their subsequent careers have been in universities or the private sector rather than in policy positions within the public service. There has been some interchange of staff with government departments, but

there too, the most common pattern has been of a young graduate recruited to the Institute and moving to the private sector.

Directors have generally served only one term, suggesting that it involves considerable stress. The financial position of the Institute has never been entirely secure, although it has markedly improved recently. There is always tension between the desire to influence economic policy directly and the need to secure work from business clients. In recent years, public policy has moved away from financing institutions towards funding projects. NZIER has lost secure Treasury funding for its forecasting, and was unable to persuade Treasury that it should have a continuous contract for macro-economic research. It continues to get contracts from government departments, but its emphasis is now much more on micro-economic research than in its early days. This research includes policy implications, but NZIER sees itself as providing technical solutions to positive economic problems rather than as a source of policy advice.

New Zealand Planning Council (NZPC)

The New Zealand Planning Council was founded in 1977, but its antecedent, the Monetary and Economic Council (MEC) was preceded only by NZIER.

MEC also derived from the royal commission of the mid-1950s. In the 1950s, Treasury began producing an annual *Economic Survey* (later *Economic Review*) which provided commentary on economic trends and policies. The Reserve Bank used its annual report for similar purposes. There was, however, a need felt by some of the policy community for an independent commentary on economic policy. The national government elected in 1960 responded by establishing the Monetary and Economic Council (MEC). MEC was a publicly funded body with an independent right of publication and access to ministers, charged with reviewing and commenting on economic policy. It was a small body, usually with three members, including an academic economist and some practical business experience. It was first chaired by Frank Holmes.

MEC gradually evolved to a pattern of reporting twice a year. One report surveyed the *Current Economic Situation and Outlook* and was timed to inform the interested public just before the government's annual budget. Its content would have been available to officials as the budget was constructed. The second report was a more in-depth study of a particular issue. Its reports on immigration, finance and monetary policy and the implications for New Zealand of Britain's accession to the European Economic Community (EEC) being especially memorable. MEC also made direct representations to government, suggesting a change of policy towards a more outward-looking stance.

Towards the end of the 1960s, New Zealand experimented with indicative planning. In 1969, a National Development Conference brought together sectoral interests and resulted in an array of sector councils intended to agree on targets for production and export which were internally consistent and compatible with the available resources. The flirtation with indicative planning, which owed something to ideas of French

experience and ignored the fate of George Brown's National Plan and Department of Economic Affairs in Britain in 1964-66, did not survive a change of government and export boom in the early 1970s. However, it was still widely believed that some kind of intermediation between interest groups was desirable.⁶

A high-powered group of officials was chaired by Frank Holmes and its report⁷ led to the creation of the New Zealand Planning Council. The basic arguments of the task force were that ministers were likely to be engrossed in day-to-day matters and needed some agency to stimulate thought about medium-term issues, and that economic and social issues had to be considered together. NZPC had this dual mandate.

NZPC was a government funded body and its membership included a minister, but it was independent in that it determined its own work program and made its own decisions about publication. The Council was first chaired by Frank Holmes. It initially had 14 members with a wide range of backgrounds, and worked through steering committees towards a review of major issues. Although the Council's *Planning Perspectives: 1978-83* began, "This document is addressed to all the people of New Zealand," it was very difficult for the Council to avoid blandness in documents with which all members could agree. Subsequent reports (*Planning and the Regions*, *Investment Issues*, *Employment: Towards an Active Employment Policy*, *Taxing Issues* and a range of studies of the role of government),⁸ tended to come from task forces. In an earlier publication, I wrote:

Economists generally judged the publications of the Council between 1977 and 1982 to lack theoretical content and to be insufficiently quantitative; sociologists thought them to be still unduly concentrated on economic matters; and other critics thought that the Council, composed of individuals chosen for their talents and experience in a wide variety of interest groups including a cabinet minister, should provide clear and simple answers to all the issues perplexing government. The variety and inconsistency of these criticisms can probably be taken to mean that the Council was doing as well as possible with the public impact of its work.⁹

Time has suggested that this judgement was, if anything, grudging. Those studies by the Planning Council included consideration of options which have since been incorporated into policy—the tax reforms of recent years and the major reorganization of the public sector which has been implemented would have faced a much less comprehending public had the Council reports not begun discussion of relevant issues.

The performance of the Council was reviewed in 1982. Some Treasury and State Services Commission officials wanted the Council's brief to be redefined so that it consisted entirely of detached analysis of policy issues, leaving political acceptability entirely to one side. That advice was not accepted by the government, but the focus was changed from advising the government on planning, to monitoring and evaluating economic, social and cultural trends. "Planning Council" had been a misnomer in that to many people it suggested a concern with detailed objectives; the Planning Council after 1982 did even less of this type of "planning." But in a wider sense of planning, one which was more concerned with finding a path from where we are to where we want to be, the name is not inappropriate.

From 1982, the Council was reduced in size and operated more through monitoring groups. The first already existed in that (against the advice of the task force) the government decided to abolish the MEC and ask the Planning Council to take over its functions. The NZ Association of Economists was concerned at the possible loss of independent economic commentary on policy issues—because the Planning Council included a minister—and the Council formed an Economic Monitoring Group (EMG) chaired usually by a council member but with a membership similar to that of MEC and with an independent right to publish. To avoid conflict with the Council itself, EMG was specifically asked to comment on short-term policy issues, but it interpreted this to include the consistency of short-term measures with medium-term goals and it provided studies of inflation and employment trends in its fourth and fifth reports. After 1982, EMG abandoned any particular emphasis on short-term issues and took responsibility for the monitoring and evaluation of economic trends and policies. It was joined by a Social Monitoring Group (initially in cooperation between the Planning Council and another quango, the Social Advisory Council), a Population Monitoring Group (in collaboration with the Demographic Society), an Income Distribution Monitoring Group, an Environmental/Natural Resources Monitoring Group (when the Planning Council inherited the functions of another quango, the Environmental Council), and an Employment Monitoring Group. The Council had already begun a series of medium-term forecasts, combining a small system-dynamic model with the input-output models of the Project of Economic Planning, and this National and Sectoral Planning project was absorbed into the monitoring structure. The Council had also formed a Maori Roundtable, seeking to enable the Maori community to reconcile its own way of operating with the Council's program. The Roundtable was regarded as a monitoring group from the Council's perspective.

The role of the full Council became ensuring that the implications of the reports of the various monitoring groups were brought together and that policy implications were drawn to the attention of appropriate people. In 1989-90 and 1990-91, following a major round of monitoring reports, it put more resources into public dissemination of its results, choosing to focus on the issues of employment and iwi (aboriginal tribes) development. The Council was accepted as a neutral forum which could bring iwi and government agencies in touch with each other and was responding to the changed nature of policy formation. The government itself was putting more attention on the medium term—the 1989 Budget read more like early Planning Council publications than like the financial statements of those years. Injecting a medium-term perspective into policy considerations was no longer a peculiarity of the Council. Its interdisciplinary nature, and its insistence on attempting to see issues across departmental boundaries, therefore became even more important as distinguishing characteristics.

The Council is predominantly publicly funded. It was, however, a kind of "pilot process" for giving public sector bodies more autonomy and accountability and it was given more independence in its use of funds. Nor has the government attempted to direct its work. (The Council's contract with the Ministry for the Environment for a study of the implications of "nuclear winter" for New Zealand was negotiated at arm's length.¹⁰)

Frank Holmes was succeeded in the chair by Ian Douglas, formerly Director-General of the New Zealand Manufacturers' Federation. When I succeeded Douglas, the Council moved to a part-time chair, and the role of director was upgraded. Initially

directors were recruited from the public service and frequently went on to senior positions in government departments; one headed the Department of Conservation before joining the World Bank, a second headed the Ministry of External Relations Trade, and a third was subsequently appointed deputy Director-General of Health. The current director was appointed from the staff, but also has a background in the public service. Other staff have had background and subsequent careers in the private sector, but the Council's "culture" has been more public than private sector. Its current budget from public funds is \$1.75 million per year. It has a small professional staff of about 12 full-time equivalents, along with support staff. It contracts out work to consultants and academics, but the management of contract work is much more demanding and expensive than is often realized. The Council works economically because its members receive little more than token remuneration and are expected to contribute significantly. Furthermore, the monitoring groups enable the Council to call on the input of enthusiastic volunteers.

Institute of Policy Studies (IPS)

Academics have always been willing to advise governments on the errors of their ways. Officials, however, often see little relevance in the policy implications which follow from theoretical discussions with little or no consideration of how problems occur in real life. The Institute of Policy Studies is the attempt of the Victoria University of Wellington to bridge this gap. It is a tripartite organization, bringing together academics and people from the private and public sectors interested in public policy issues. It adopts no stances other than the belief that rational discussion and detached research is likely to result in better policy formation.

IPS is part of the university's outreach activities and is genuinely tripartite. It has a large board of people interested in its activities (and likely to be useful in raising funds for it). It is run by an executive committee which is formally a committee of the University Council, but which brings together senior academic administrators (including the vice-chancellor of the university), senior officials and people prominent in the private sector. It is reasonably successful in obtaining its funding in equal amounts from the university, the private sector and the public sector. It is successful in this effort by varying the range of its work, as few projects can attract funds from both the public sector (departmental officials) and the private sector (corporations, legal and accounting firms).

IPS has virtually no staff of its own. It operates by identifying projects which people are prepared to fund, and researchers from within universities, in government departments, and very occasionally in private firms, who can be released from their normal duties and who are interested in pursuing these research projects. The job of the director is then to identify policy research which people want done and people who are interested undertaking in related policy research. If there is sufficient overlap between these, then IPS is in business.

IPS does not undertake contract research and it decides whether research results justify publication on the basis of the intrinsic worth of the research. Like all organiza-

tions which aim at neutrality, the Institute is criticized from both directions. To some it is seen as being much too close to Treasury and current government economic policy, and to others it is unaware of the merits of current policy developments.

IPS was very much the creation of Henry Lang, a former Secretary of the Treasury who became a visiting professor of Economics at Victoria University. He chaired the executive committee from 1983 to 1989 when he was succeeded by Frank Holmes who also works part time for the Institute. The first director of the Institute was Malcolm Templeton, former Deputy Secretary of the Department of Foreign Affairs. I succeeded him in 1987, being seconded from my chair of economic history at the university. IPS researchers in recent years have come from universities (not only Wellington), from secondments from government departments and by employing consultants.

The intention of the Institute is to try to engage in long-range thinking about significant policy issues before politicians realize that they are significant. In 1983, it seemed that tax reform was such an issue. In 1984, there was a change of government and tax reform was suddenly an immediate issue and the Institute was under pressure to produce at short order. Its work on the introduction of a value-added tax, and on the reform of the business tax, established its reputation. Its work also extended to other areas of policy, including development of the Closer Economic Relations (CER) agreement with Australia and other aspects of external policy. Since 1987, tax reform has become more the preserve of tax practitioners, and social policy has loomed larger in the Institute's work.

New Zealand Business Roundtable (NZBR)

NZBR began as an informal organization of large business enterprises, not satisfied that the NZ Employers' Federation and NZ Manufacturers' Federation could represent their interests without being swamped by the much larger number of small business units. In 1985, it developed into a different kind of organization when it recruited as its full-time executive director, Roger Kerr, who as a Treasury official had participated in the rethinking of economic policy which became influential with the Labour government elected in 1984. NZBR remains an organization of the chief executives of about 40 of the largest New Zealand businesses—some multinationals with sufficient local autonomy and some state-owned enterprises conceived as business enterprises rather than government departments have been admitted to membership. Kerr has persuaded its members that business should be interested in social policy as well as in matters which have a more direct impact on them. Its "Statement of Purpose" includes:

Objectives – A healthy and dynamic business sector, generating an adequate flow of profits and investment, is seen as fundamental to the achievement of the economic, social and cultural aspirations of New Zealanders. In an open and free domestic and international market environment, the interests of the business sector are closely aligned with those of the community at large.

Public and Private Sector Roles – An important role for the government is seen in providing a sound framework of laws and a macro-economic environment which facilitate private sector decision making, and in undertaking certain

activities which are best catered for within an efficient public sector. The government also has prime responsibility for necessary action to modify market outcomes in the distribution of wealth or income, and to pursue other social equity objectives in a well considered and effective way.

Perspectives – take an objective, non-partisan and longer-term view, rather than operate for the benefit of any one group at the expense of others. In particular, it does not seek to limit competition between its members, nor to act to the detriment of consumers in New Zealand or overseas.

Method of Operation – NZBR is concerned to be open in its analysis and advocacy, but does not seek publicity. It believes sound policies are most likely to be developed through reasoned approaches characterized by logic, objectivity and dispassionate dialogue. It is prepared to speak out on matters of national importance where a publicly presented view is judged to be constructive and warranted. Such views would be limited to issues which have been subject to full internal analysis and discussion.

With the support of large corporations, NZBR has been well funded. It has promoted studies in education, industrial relations, company law and the debate over "comparable worth." It has sought high quality consultants and its list of publications shows that it has been able to secure them. At the same time, it selects its consultants from among people likely to be sympathetic to policy recommendations which are congenial to the members of NZBR. It is not intended to be a home for scholars, but rather a vehicle for promoting what its members consider to be good quality policy recommendations. Because it is easily dismissed as a special interest group, the publications of NZBR have not always received the degree of critical scrutiny they deserve.

Centre for Independent Studies (NZCIS)

In a modest example of globalization, CIS originated in Australia. It is unequivocally an organization which promotes individualistic thinking, being inspired by such thinkers about the importance of freedom as Frederick Hayek. Its Australian executive director, Greg Lindsay, is an enthusiastic proponent of such thinking. In New Zealand, he found an ally in Alan Gibbs, a prominent member of the business community who was prepared to underwrite initial NZCIS activities. He was joined by others equally prominent in the business world, including some members of NZBR. (NZCIS also attracted members of the board of IPS who regarded IPS' middle-of-the-path strategy as insufficiently committed to truth, although this is not always obvious to investigative journalists, especially "left wing ones".¹¹) NZCIS also attracted people who had been influential as Treasury officers before joining the private sector. The first director, was Simon Walker, who was a television journalist before becoming a publicist for the Labour Party and seeking Labour Party nomination for a parliamentary seat. When he returned to his native Britain, NZCIS was run for a while by an acting director. Recently appointed as director is Graham Beddie, who attracts the attention of some journalists as a former military officer but who had also been an administrator at the Auckland Institute of Technology.

NZCIS has recently described itself as follows:

The New Zealand Centre for Independent Studies (NZCIS) is an independent, non-profit research and educational institute concerned with the development of ideas which promote a free and prosperous New Zealand.

The Centre receives no funds from government, nor does it depend on support from any interest group. NZCIS is non-partisan. It does not speak for the interests of any person or group and does not lobby government, politicians or bureaucrats.

NZCIS believes that there is a need for greater competition in ideas. Much research in economics and the social sciences is concerned with how government intervention can best be accomplished than whether it is justified in the first place.

The Centre has been formed to intensify the intellectual debate which should precede the policy-making process. Special attention is paid to the role of the market in providing for the well-being of all sectors of the community.

NZCIS retains close links with its Australian counterpart, circulating its journal *Policy* and sharing some visitors. It also acted as local host for the Mont Pelerin Society, whose conference included many respectable papers, as well as the effusions of some American, British and Australian enthusiasts (not to say "revivalists"). Its publications, which include thorough studies of recent government policy in general, as well as particular policy areas, have a distinct ideological thrust through the choice of authors rather than by controlling what they say.¹² It is true, however, that it would be very surprising to find a NZCIS publication that did not take a libertarian approach. Like IPS, NZCIS works with a very small staff, contracting its studies to individual authors, mostly academics and analysts in the private sector, but including some officials writing in a personal capacity. While its official stance is that it is interested in the promotion of ideas rather than in formulating specific policy proposals, some of its authors think in terms of a rather small step from an idea to government action.

Law Commission

The Law Commission is another quango. It grew out of part-time law reform committees that were voluntary activities of lawyers. A number of committees made up of lawyers drawn from private practice, government departments and university law schools met once a month or less and were provided with secretarial and research assistance by the Law Reform Division of the Department of Justice. The committees operated in broadly defined areas of contracts and commercial law, criminal law, property law and equity, public and administrative law, torts and general law, and evidence law. There were also related committees such as the industrial property advisory committee. In 1986, these committees were replaced with a Law Commission (initially Law Reform Commission), comprised of a chair (the former president of the Court of Appeal), a deputy president (Sir Ken Keith, former Dean of the Victoria University Law School), three other full-time members and a small secretariat. The Commission was required to respond to references from government, but it could also initiate its own enquiries. It works closely with the

Legislation Advisory Committee in commenting on proposed legislation (especially on its drafting), and on whether the legislation is desirable or necessary.

Largely because of the enthusiastic support of Geoffrey Palmer (initially deputy Prime Minister, attorney general and minister of Justice, and later Prime Minister), the Law Commission has become a much more wide-ranging and influential policy adviser than might have been expected of the successor of the largely technical law reform committees. While the government is often seen as dominated by Treasury and economists, it is in a real sense a government which believes that policy is expressed in laws rather than in the spending of public money. The Law Commission has been able to ensure that the lawyer's perspective plays a large role in government decisions. The direction of its thinking has not always been predictable. It views the Accident Corporation as an agent for social welfare, whereas the consensus among economists is closer to thinking of it in terms of insurance. The Law Commission has resisted the notion that state-owned enterprises are business organizations closely analogous to private companies. On the other hand, on issues of company law, its suggestions have been close to those of Treasury and the Reserve Bank, rather than to the Justice Department and Securities Commission.

Audience

It is common to divide the output of think tanks into data generation, research and analysis, although there are obvious overlaps among these categories. Data generation seems self-evident, but statisticians are very aware of how their information depends on prior assumptions and on how new information can be generated by putting together, in a novel fashion, well-known statistics. While research is usually thought of as a deeper and more detached activity than analysis, which is concerned with options and choices among them, the principal conclusion of a piece of research may result from reflection on information which was previously available rather than from the enquiries which took most of the time devoted to a particular project. Nevertheless, the categorization is useful for assessing the principal activities of different institutions.

The principal activity of the New Zealand organizations is readily seen to be analysis. The only think tank which has a large role in data generation is NZIER. It draws heavily on the work of the government statistician, but its *Quarterly Predictions* and *Quarterly Survey of Business Opinion* produce data which is relied on by most commentators on economic trends and policies. While its own inferences from its data are often contested, NZIER has a reputation for care and considerable reliability in generating data.¹³ The monitoring reports of NZPC also have a significant element of data generation, but even they rely mostly on bringing out the implications of information available from other sources. The point is that data generation on a large scale depends on well established routines and continuity of staff with appropriate expertise; these requirements are much more likely to be satisfied by the Department of Statistics than by any think tank.

On the other hand, think tanks are part of the policy community, and are under pressure to contribute on issues which have current significance. Their staffs and the authors contracted by them would like more time to develop new data, but a decision to delay any action may itself be a significant policy decision, and policy often has to proceed on the best information currently available. Think tanks would like more funding to allow them to maintain more long-term research, but New Zealand still depends on academics for most of the intellectual effort which is devoted to understanding for its own sake as opposed to considering policy options and choices.

New Zealand's think tanks nevertheless influence policy primarily through their influence on public opinion. Their principal output is publication of studies. NZIER is unusual in that its periodicals are important for their publication of the data it generates, and it uses its *Monthly Report to Executives* for a combination of public relations and quick release of data. NZCIS not only circulates the Australian quarterly, *Policy*, but uses its own *Centrepieces* to keep people aware of its activities and concerns. IPS publishes a quarterly newsletter which is further from an academic journal than *Policy*, but has more emphasis on content than *Centrepieces*. NZPC's occasional *Planes* is even more directed towards informing the people involved in its monitoring groups and other networks about the activities of the Council and its components.

Convocations of various kinds are also used. IPS uses a range of seminars. Large public occasions are intended to generate some funds for further research, although, as commercial organizations have discovered this market opportunity and crafted their offerings towards the immediate practical benefit of participants and their employers, the financial viability of discussions of policy questions has declined. Seminars or lunch-time discussions are also used as self-funding opportunities for the policy community to become acquainted with particular speakers. They are also used as ways of gathering input into projects and of disseminating results. Finally, IPS acts as a neutral forum for discussion of policy issues. Although it has sometimes ventured into other cities, IPS operates mostly in Wellington. The largest group of participants at its functions is from government departments, at all levels up to chief executive, but the audiences usually reflect the tripartite nature of the organization and include academics and people from the private sector.

NZCIS also organizes a range of seminars. Visiting speakers have been more prominent in its offering, although it has used seminars as a way of drawing attention to its publications. Its audience in Wellington is not dissimilar from those of IPS, although perhaps it is focused more on people interested in economic policy. It has also made a more determined effort to act in Auckland and Christchurch, reflecting its administrative base in Auckland, and the presence in Christchurch of active members of its board and pool of writers.

NZIER has occasionally sponsored a visiting speaker, and it uses its annual meeting to present a guest speaker to the Wellington policy community, but its seminars are otherwise usually related to its forecasting work. It organizes an annual conference of business economists. It also deals directly with its corporate members.

NZBR relies on publications, luncheon addresses by its members, participation by its executive director and policy analyst in discussions organized by others, and submissions to legislative and executive agencies. NZBR as an organization makes submissions to parliamentary select committees.* NZBR has presented careful submissions on issues like the Commerce bill, Accident Compensation Corporation reform, the Resource Management bill and labour market issues. They usually have a distinctive perspective which can be contested, but they are worth taking seriously as analysis. Members of NZBR have many opportunities for discussion with ministers and senior officials and undoubtedly use them to promote their own views.

NZPC includes a minister and therefore has ready access to government at the political level, and it maintains contacts with the official machine at all levels. But after 1984 the government deliberately turned away from established channels of consultation.¹⁴ The danger of "capture" was rated more highly, and the government sought to widen the range of people consulted on significant policy issues. NZPC has relied less than it did when it was chaired by Frank Holmes on regular meetings with politicians and officials, using such contacts only when it has a specific message to convey. It has correspondingly increased its emphasis on creating an informed public opinion so that policy decisions on complex issues can be explained, questioned and defended. Its reports have been addressed to various audiences, but most commonly to an "intelligent layperson" (despite worries about whether such a person really exists), and it has sought to make more use of the media in carrying important messages. It has also used gatherings of various kinds to meet defined audiences. Its relations with the Maori community have been strengthened through hui-a-iwi (gatherings of the tribes) and hui organized by specific iwi. That reflects in part a search for common ground with Maori ways of organizing discussions. But the Council has also organized seminars for elected members and officials of regional and territorial governments. They have undergone reconstruction in recent years, and the Council could provide a forum for discussion of their concerns, while also injecting material which the Council wanted to take to regional and local government.

The Law Commission relies most on direct personal contact between its members and the politicians and officials responsible for the legislative process. But it has used seminars to gather input into some of its studies, and it certainly consults widely on all of its projects. Its members, especially the deputy chairperson, promote the perspective of the Commission in a range of forums.

New Zealand think tanks are information-centred, and mostly concerned with public discussion of policy issues. Comment is frequently made about the paucity of good discussion of policy issues in New Zealand and the country certainly lacks high-quality background journalism, reflecting its size and general lack of specialization within

* These committees have been more prominent in recent years; nearly all bills other than money bills are referred to a committee which hears public evidence. Ministers and departments seem to have adopted the practice of introducing legislation into the House at an earlier stage than used to be the case, relying on committees to sort out detailed problems and sometimes even issues of policy. The media has not caught up with this change, and is still inclined to see government acceptance of any amendment made at the committee stage as a "backdown".

journalism. Those who really want to participate in policy discussion, as distinct from wanting to pontificate and complain because their views do not prevail, have to work from reports rather than from more readily accessible media presentations.

Influence

Influencing public opinion is necessarily a slow business. In New Zealand, the most effective way to influence government policy is through the official machine. An alternative is to work through political parties, but even that works best in terms of broad objectives rather than particular policies for all but those prepared and able to participate in the parliamentary caucus (or perhaps even Cabinet).¹⁵ Think tanks, as such, are not within the machine, but their personnel have sometimes been involved directly in policy-making. Alan Gibbs played a bigger role in the policy debate when he chaired the government's Task Force on Hospitals and Related Services than he did by his promotion of NZCIS or membership in NZBR. Sir Ron Trotter, who chairs NZBR, influenced the government's policy on state-owned enterprises through his acknowledged business expertise and membership of a ministerial advisory committee rather than because of his role with NZBR. My personal chairing of a Cabinet Social Equity Committee Working Group on Postcompulsory Education and Training had a more direct impact than the work I promote through IPS. And all of these examples of the personnel of think tanks being brought into the policy-making process add up to a small (but perhaps significant) impact compared with that of officials of government departments.

Even the longer-term process of a changed approach to policy, away from direct intervention towards more concentration on the creation of frameworks within which decision-makers could act, owed more to official thinking than to any other influence. Indeed, the growth of think tank activity in recent years may be seen as the result of a changed approach to policy-making, one which emphasized the conflict of ideas and choices among them relative to negotiated compromises among interest groups.

But the role of ideas remains important. Policies change in a day-to-day way through the people chosen to work on them, but in a longer term, those people are influenced by ideas. To that extent at least, policy making remains Keynesian. Even in the shorter term, the kind of analysis which think tanks concentrate on gradually shifts perceptions of what is possible. (Roger Douglas, Minister of Finance from 1984-88, credited NZBR with changing business attitudes and with assisting government to adopt a medium-term perspective.¹⁶)

Personal contacts are important. It is no accident that most think tanks are based in Wellington. The policy community is not a closed shop, but think tanks, officials and politicians interact in Wellington in a way which is not possible elsewhere. There are dangers in intimacy of contact; policy analysts may capture or be captured just like interest groups. The choice of NZCIS to make its base in Auckland reflects its wish to rely on ideas and avoid lobbying (perhaps made easier by the advocacy role undertaken by NZBR) and introduces a welcome variety into policy discussion.

Nevertheless, I would conjecture that this strategy will be unusual among the New Zealand variety of think tanks. Politicians and officials will always be subjected to a multitude of sources of policy advice. Think tanks will find it hard to finance detached, neutral policy research since there are many enthusiastic amateurs willing to work without finance, and the think tanks will always have to spell out the additional value they can provide. That will usually lie in a real understanding of the policy setting, the link between government action and exploration of ideas. Furthermore, as single-interest pressure groups become more prominent relative to long established sectoral interests, there will be even more need to provide venues in which people can see that not all who do not share their particular enthusiasm are entirely benighted relics of the past, or instruments of malevolent materialism. Policy-makers need to be reminded that their job is to act creatively rather than merely mediate among competing pressures. Bridge-building will be an important role for most think tanks.

Globalization

None of the think tanks considered here have globalization as a principal focus, although EMG of NZPC has begun a report on globalization, conceived as monitoring and reporting on the ways in which relations between the New Zealand economy and other economies have changed in recent years. Most of the work of think tanks is concerned with domestic policy. Nevertheless, there is some more internationally-focused work: IPS is engaged in a joint project with the East-West Center in Hawaii and the Australian Institute of Economic Research on the future of relations among Australia, New Zealand and the United States; both IPS and NZIER have published studies of trade policy and a joint project on New Zealand's economic relations with East Asia¹⁷; IPS has begun a study of the implications of developments in Europe for New Zealand; IPS has also sponsored work on defence policy¹⁸ (an article on New Zealand's defence policy has also appeared in *Policy* by an Australian author¹⁹); and both IPS and NZIER have worked with the New Zealand Committee for Pacific Economic Cooperation, and participated in the activities in the Pacific Economic Cooperation Conference.

Globalization, however, works through the field of ideas. New Zealand has the great advantage of being too small for nearly anybody to think that all the ideas which most affect it are likely to originate domestically. New Zealand is geographically isolated, and was for a long time significantly economically insulated, but among the ways in which it is a very open society is its receptiveness to ideas. Think tanks might concentrate on an issue like competition law, but they will draw on thinking and experience in countries other than New Zealand.²⁰ Furthermore, as the Law Commission had occasion to remark, New Zealand's policy response has to consider the legal obligations created by international agreements. Globalization (along with ethnic particularism) is an important part of the context in which New Zealand's policy will evolve. It is therefore something to which New Zealand think tanks are well attuned, even though the term is not an everyday one.

Notes

1. G.R. Hawke, *The Making of New Zealand: An Economic History*, (Cambridge: Cambridge University Press, 1985), pp. 104-5.
2. G.R. Hawke, "The New Zealand Experience," in John W. Langford and K. Lorne Brownsey (eds.), *Economic Policy-Making in the Asia-Pacific Region*, (Halifax: Institute for Research on Public Policy, 1990), pp. 79-107.
3. G.R. Hawke, *Between Governments and Banks: A History of the Reserve Bank of New Zealand*, (Wellington, 1973), pp. 63ff.
4. Hawke, *Between Governments and Banks*, p. 225.
5. C.A. Blyth, *Economic Growth 1950-1960*, (Wellington: NZIER Research Paper No. 1, 1961); G.R. Hawke, *The Making of New Zealand*, pp. 178-9.
6. Professor Philpott's Project on Economic Planning at Victoria University of Wellington, which could be regarded as either a one-man think tank or the usual academic output of an unusually energetic individual, took the emphasis away from consistency to optimization, and even when interest in indicative planning declined, the project remained a significant source of academic advice on policy options.
7. Frank Holmes et al., *Towards a Turning Point: Report of the Task Force on Economic and Social Planning*, (Wellington, 1976).
8. Patsy Fischer, *The New Zealand Planning Council: A Case Study*, (Wellington: NZPC, Planning Paper No. 12, 1981).
9. Hawke, *Making of New Zealand*, p. 333.
10. Wren Green, Tony Cairns and Judith Wright, *New Zealand After Nuclear War*, (Wellington: NZPC, 1987).
11. David Steele, "The New Right," *PSA Journal*, 77(2), March 15 - April 11, 1990, pp. 11-14.
12. Simon Walker, (ed.), *Rogernomics: Reshaping New Zealand's Economy*, (Wellington: GP Books, 1989).
13. One which is promoted by its custom of publishing periodic retrospective assessments of the accuracy of its forecasts, e.g., Brendan O'Donovan, "Accuracy of NZIER Forecasts," *Quarterly Predictions*, 101, March 1990, pp. 55-62.
14. Hawke, "The New Zealand Experience," pp. 86-90.
15. Margaret Wilson, *Labour in Government 1984-87*, (Wellington, 1989).
16. Roger Douglas and Louise Callan, *Toward Prosperity*, (Auckland, 1987), p. 79.
17. Alan Bollard, Frank Holmes, David Kersey and Mary Anne Thompson, *Meeting the East Asia Challenge: Trends, Prospects and Policies*, (Wellington, 1989).
18. Malcom Templeton, *Defence and Security: What New Zealand Needs*, (Wellington, 1986).
19. Peter Jennings, "The Future of New Zealand's Defence Policy," *Policy*, 6(1), Autumn, 1990, pp. 15-19.
20. For examples of this, see A. Bollard (ed.), *The Influence of American Economics on New Zealand Thinking and Policy*, (Wellington: NZIER Research Monograph 42, 1988).

Korea

Role of Policy Research Institutes in the Economic Policy-Making Process: The Korea Development Institute

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Introduction

In developing societies policy analysis is still in an embryonic stage. However, in view of the growing importance to non-Western societies, especially the rapidly industrializing ones, of international cooperation and global stability and prosperity, systematic efforts to analyse policy-making processes are in great demand and are increasingly being undertaken.

In this context, the purpose of this paper is to describe the characteristics and patterns of the policy-making process in the Republic of Korea and the role of policy research institutes in that process. In order to do so, a basic methodological framework will be suggested and the organizational context in which policy research institutes work with the policy planning agencies of the government will first be examined.

A Five-Step Framework for Policy Making

The first and most important dimension of the policy making process is goal setting. In order to define the direction of policy, clear goals, defined both hierarchically and longitudinally, are absolutely vital and relative priorities among goals must be clearly established to avoid conflicts. Similarly, long-range, intermediate and short-range goals must be distinguished so that those which are long-range are not obstructed by those which are short-range.¹

Goals may be subdivided into mega-goals (overall goals), policy goals, policy objectives and policy purposes. Mega-goals provide a societal direction for policy-making—a kind of master policy—clearly distinct from detailed discrete policies, although they do serve as guidelines for sets of concrete policies.² The second highest goals are the political, economic, and social goals of the government. Below this are the policy objectives of individual government ministries. Finally, at the bottom of this ranking are the policy purposes, or objectives and outcomes, the lower-level organizations of government are committed to achieve.

The second stage of policy making is to identify problems. Policy problems have to be well identified and analysed in terms of their basic nature, dimensions, urgency, persuasiveness and continuity. Problems also have to be detected as early and as accurately as possible.

The third stage is the development of policy, central to which is the formulation of policy alternatives on the basis of problem analysis. Government authorities will then determine the best option to choose as a public policy.³

In formulating or innovating policy alternatives, a policy-maker may take a comprehensive, piecemeal or mixed approach. The comprehensive approach is characterized by rationalism, the piecemeal approach by incrementalism and a "mixed-scanning" method. The rational decision-making model is geared to consistent, value-maximizing choice within specified constraints⁴ and assumes that a policy-maker has comprehensive information about a society's value preferences and their relative weights, the policy alternatives available, and the implications of each policy alternative.

After a policy is adopted, the fourth stage of policy-making is its implementation.⁵ Implementation can be conceived as the "interactions between the setting of goals and the actions geared to achieving them,"⁶ or "those activities directed toward putting a program into effect."⁷

Before policy programs are implemented, the policy has to be defined in operational detail, a politically feasible implementation strategy worked out, and budgetary allocations and responsibility assignments made to the appropriate governmental organizations and bureaucracies. If these steps are not taken efficiently, policy programs will be doomed.

The final stage of policy making is an evaluation of the merits and demerits of government policy in terms of its relevance, its return on investment, its impact and the efficiency of its implementation. (No less important than these three variables is the motivation for the evaluation. In many cases political motivation dominates the evaluation for it is very hard to avoid political and organizational prejudices.) To evaluate a policy, specification of what has to be evaluated is required, as is a standard for collecting data and information, and a method of analysing the data.

Characteristics of the Policy-Making Process in Korea

In the previous section, we identified five common functions as the minimum needs for any systematic and effective policy process. In the Republic of Korea, however, many government policies are developed which omit one or more of these five steps.

Since both Korean Republics were founded through revolutionary changes, goal setting at the national level (mega-goals) is, in general, done well. However, sub-national policies are frequently formulated without clear objectives and purposes, and policy goals and objectives remain hidden. Although problems are satisfactorily identified by various ministries, they are reported selectively and belatedly because of the timidity of the bureaucrat. And when different views are reported, information and recommendations from the intelligence organizations are given primary consideration.

Policy development has generally been rather primitive. Little effort is made to think through a variety of possible policy alternatives and policy options are formulated somewhat spontaneously, without pre-planned systematic and rational efforts. The preferences and moods of the top decision-makers, including the President and ministers, are very frequently important determinants. Except in the case of economic planning and national security affairs, therefore, innovation of policy alternatives on the basis of rational calculation is very rare and often a matter of personal preference.

There are two institutional routes to policy adoption. One is through legitimation by the National Assembly, in which policy proposals are put to vote in a plenary session. The other is by bureaucratic decision, in which each ministry determines what it can do within its domain and obtains approval from the President to do so. However, because of its relative political weakness, the legislature cannot veto a bill which is strongly supported by the executive branch, and the chief executive ultimately dictates the choice of the final policy.

Policies are often implemented without any consideration of their applicability to a situation. Because of bureaucratic authoritarianism, bureaucrats have come to believe that they can force the implementation of any policy that they choose. Accordingly, the public is very critical of the government. At the same time, policy evaluation activities are virtually invisible and, when undertaken, are mainly for public relations and auditing purposes.

National and policy goals have been discontinuous and irrational because of the revolutionary turnover of political power, the individual ambitions of policy-makers and an authoritarian, bureaucratic hierarchy. In a number of cases, policy goals have been superimposed by top decision-makers with disregard to long-term national goals. Intermediate and low-level policy objectives and purposes are seldom articulated, and even when the goals are well specified, subordinate policy objectives occasionally supersede higher policy goals, giving rise to great confusion, public complaints and wasted resources.

Problem identification is conducted largely through intelligence agencies such as the police and the Security Planning Agency (Korean CIA). However, ministries, the mass media and political parties also play a role in monitoring public problems and

processing public opinion into government policy. Although these multiple sources of information provide a broad analysis of public problems, bureaucrats are very conservative and cautious in reporting this information in case their superiors, especially the ministers and the President, have different views on the matter or do not want to hear unpleasant news. At the same time, the bureaucratic hierarchy is very strict, so lower officials do not challenge the views of their superiors, for fear of jeopardizing their positions. As a result, they report only those problems that please or at least do not anger their superiors. If they really have to report bad news, they minimize its seriousness. Hence problems are not fully identified at the upper level of decision making, even though the government has the capacity to do so.

The alternatives that are produced in the policy process in Korea are restricted in scope and perspective, their formulation being neither systematic nor rational. Efforts to make the formulation of policy alternatives more systematic have been on the increase since the 1970s, but policy innovations still remain minimal since an optimum result is not the primary concern of most bureaucrats. Their major concern is how to appease their superiors and keep their positions safe and profitable. The choice of alternatives is thus the most arbitrary part of the policy-making process in Korea. It is personalized to such an extent that not much rational analysis is allowed to intervene in the decisions of top policy-makers. Often the major determinant is not the magnitude of expected pay-offs, as rationally computed by the officials involved, but the position and power of those who propose the policies. The number of supporters does not count much either, as the intentions and preferences of the top policy-makers usually overwhelm rational proposals formulated on the basis of a careful consideration of different aspects of the issue.

Policy evaluation is also very weak. The Board of Audit focuses its attention on accounting inspections and does not concern itself with policy effectiveness. The Blue House (Office of the President) occasionally evaluates the results of government policies but these evaluations are intermittent and incomplete. This lack of policy evaluation prevents substantial improvement of the policy process and encourages a trial and error approach.

Patterns of Influence

Our second concern is with the dynamics of how the various actors influence the policy-making process. Public policy is a product of the interactions between the government and its various publics, be they national or international. Thus, policy research needs to focus its attention on the intersection of the political system and the society around it.⁸ However, interactions among policy-makers within the political system are also very decisive in finalizing public policies. In determining the methods and substance of response, a number of policy-makers are involved. We will next examine the relationship between the executive and the legislature, the Office of the President and the ministries, and different ministries.

Both individuals and organizations are major actors involved in the policy-making process. Organizational actors include the executive, the legislature and the political parties. The legislature is in principle the key determinant of law, the budget and other governmental activities. It is presently composed of the National Assembly, representing the two major parties and a few minor parties. However, in reality it is the executive (the President, the Prime Minister, the intelligence agencies and the ministries) that is the most important player. Political parties are not governmental institutions, but are increasingly influential in creating government policies. Individual actors include all the persons involved partially or fully in policy-making procedures.

In contrast to the United States and Western European countries where parliaments have strong influence over the executive, the Korean National Assembly does not enjoy much influence or autonomy. The centralized hierarchy of political parties has brought parliamentarians under the control of the head, or the central executive committee, of each party. In the case of the ruling party, the president of the party is the President of the Republic of Korea. Hence, the legislature is to a large extent controlled by the President and he is not, therefore, afraid of legislative objections to the bills, including the budget, he submits to the National Assembly.

The most decisive organizational player in the policy process is the presidential staff which enjoys unchallenged authority. Major government policies are discussed and finalized in the Blue House, where presidential staff members chair policy discussions with senior bureaucrats. All the reports of ministries are reviewed by Blue House staff members before they are brought to the President for final approval. During the process, many views and policy perspectives of ministries are revised and supplemented to accord with the preferences of the presidential staff. Even the intelligence organizations, which have more power than the ministries, are under the supervision of the Blue House. Intelligence reports are brought for review to the relevant presidential staff members, who then selectively lay them before the President. At the top of these organizations we do, however, see the continuing rivalry between the chief of the presidential staff, the chief of the presidential security guards and the chief of the CIA.

The ministries of the government have coexisted with relative harmony. There are occasional minor conflicts between ministries over the scope of responsibilities, or the role of each ministry in a joint project, but the clear division of labour leaves little room for dissension.⁹ Furthermore, the Office of the Prime Minister coordinates administrative affairs and policy matters, and the Blue House intervenes in interministry arguments. The weekly cabinet meetings also provide a forum to narrow the gap between different views. Because of their overload of daily work, bureaucrats usually do not attempt to take on more than what falls within their normal responsibilities.

Role of Policy Research Institutes in Korean Economic Management

Organizational Context of Policy Planning

Through continuing organizational reform since 1961, a rigorous planning system has evolved in Korea. The Economic Planning Board (EPB) was established in 1961 with responsibility for economic planning, national budgeting, foreign capital management, technical cooperation and statistical administration. In 1963, the role and function of EPB was strengthened when it was decreed that its minister would concurrently hold the position of deputy Prime Minister. Also in 1961, the Office of Planning and Coordination¹⁰ was established for assisting the Prime Minister in evaluating and monitoring the performance of major development projects and policies. In addition, in each ministry, a Planning and Management Unit was established at the assistant minister level in 1961 to perform annual implementation planning, progress reviews, monitoring and evaluation of project performance, and feedback of monitored information into the decision-making process.¹¹

In order to further strengthen the policy-planning function, various specialized policy research institutes have been established since 1970 with the financial sponsorship of the government. They include the Korea Development Institute (KDI) under EPB, the Korea Institute for Industrial Economics and Technology (KIET) under the Ministry of Trade and Industry (MTI), the Korea Research Institute for Human Settlements (KRIHS) under the Ministry of Construction, the Korea Rural Economic Institute (KREI) under the Ministry of Agriculture and Fisheries, the Korea Institute of Population and Health (KIPH) and the Korea Women Development Institute (KWDI) under the Ministry of Health and Social Affairs, and the Korea Education Development Institute (KEDI) under the Ministry of Education. Finally, in the field of science and technology, there are many research institutes that are fully sponsored by the Korean government.

Research Institutes and Policy Planning

To what extent have these policy research institutes contributed to the governmental policy planning process? To answer this question some discussion of the general planning procedures for five-year plans and other major economic policies, the role of policy-makers and planners, and the technical process of policy planning is required.

In preparing the five-year development plans, EPB initially puts together preliminary guidelines for major policy targets and directions, and macro-economic projections for the international and domestic environment for the plan period and beyond. At this stage, the interaction between EPB technocrats and economists at government-sponsored policy research institutes is very crucial. For instance, KDI¹² conducts a series of benchmark studies on the prospects for the Korean economy and the international economic environment as a basis for developing plan guidelines.

Individual ministries then formulate sectoral plans in accordance with these guidelines. In this task, government ministries and agencies make extensive use of a number of working committees whose members are experts drawn from government ministries, industrial associations, financial institutions, universities and research institutes. Researchers often participate in this committee work in a personal capacity.

The preliminary guidelines and the individual sectoral plans are consolidated in draft form and presented at a series of public policy forums conducted at KDI and other relevant research institutes. Many experts and representatives from business organizations, labour unions and consumer groups are invited to make comments and express their views on the draft plan. In other words, policy research institutes provide extensive opportunities for clientele groups to participate in the public policy-making process.

EPB, with the help of policy research institutes such as KDI and individual ministries, then formulates a consolidated draft plan for a series of reviews by the Plan Working Committee (comprised of vice ministers of economic affairs), and the Plan Deliberation Committee (comprised of the Prime Minister and other cabinet members). The final stage of review is, of course, approval by the President.¹³

In addition to the five-year plans and the annual economic management plans, the government places considerable value on long-term studies providing a comprehensive perspective on future policies and on the areas in which national efforts should be concentrated. An example is *Korea in the Year 2000*, a study completed in 1986 by the Korea Development Institute in collaboration with other leading national research institutes. This study identifies the major tasks and challenges Korea is likely to face in the next 15 years. Such long-term perspectives and analyses are important in preparing the five-year development plans.

Individual policy proposals are usually initiated by ministries concerned with specific policy issues. These proposals are reviewed in consultation with other relevant ministries before they are submitted to the cabinet and the president for final approval. In reviewing and coordinating policy proposals, two institutional mechanisms are involved. The first is the Economic Ministers Consultation Meeting, a forum for informal or semi-formal discussions for coordination purposes. The other is the Economic Ministers Meeting, which is a formal setting to satisfy legal requirements for the formalization of policy proposals to be submitted to the cabinet. The latter mechanism is supplemented by an Economic Vice Ministers Meeting.

It is noteworthy, however, that policy proposals prepared by the ministries are seldom open to public discussion. They are processed secretly or among a limited number of elite officials. In particular, policy measures for emergency situations tend to be prepared quickly and confidentially by small groups of the bureaucratic elite and are proposed to top policy-makers for final endorsement. In cases where a policy issue requires the understanding or utilization of sophisticated theories or analytical techniques, hidden involvement of policy research institutes is often inevitable.

In sum, the policy-making process is quite streamlined, with little consultation with related ministries and private organizations. Even in the case of special working

committees organized by a ministry, the participation of private experts and the general public has been rather limited. The committees in some cases simply approve whatever is proposed to them.

A systematic analysis of the policy-making process also requires analysis of its technical and institutional dimensions. This perspective gives rise to the following questions:

- (a) To what extent do the policy institutes contribute to the formation of an information base used for policy analysis?
- (b) To what extent do the policy research institutions contribute to the identification and clarification of policy problems in terms of the legal institutional, financial and cultural constraints that affect policy options?
- (c) To what extent are technical complexity, political sensitivity and administrative feasibility fully considered in designing the policy package?

Economic policy making involves both consensus-building in defining national economic goals and policy objectives, and the sharing of reliable information among decision-makers in monitoring economic performance and environmental changes. In the case of the Comprehensive Measures for Economic Stabilization (CMES), technocrats, and ministry economists, and analysts in research institutes, seemed to have shared the same information base for developing economic policies. Political leaders have also been provided with a common conceptual framework for pending economic policy issues. The objectives and strategies for national economic management in the 1980s have been "economic growth with equity, improvement in trade balance, economic stability, and promotion of technological advancement."¹⁴ Although actual interpretation of these objectives may depend on the prevailing economic environment, these goals were commonly shared by both political leaders and government economists during this period.

In assessing economic performance and environmental conditions, government economists and technocrats again play critical roles. Technocrats have gained free access to the Bureau of Statistics at EPB, as well as the Department of Research at the Bank of Korea, and rely heavily on administrative records and sample surveys. They supply top decision-makers with relevant information, interpretation and recommendations regarding policy implications and economic performance. This information is processed through various channels and mechanisms, including public forums organized by individual ministries. KDI has played a catalytic role in assessing policy implications and shaping policy directions through its long-term and short-term policy studies on the Korean economy.

In analyzing problems to be addressed by economic policies, socio-cultural constraints are not often considered because sectoral policy-makers viewed core problems as more or less purely economic. For example, although EPB technocrats and KDI economists understood the political implications of the CMES, they tended to neglect them in their application of economic rationale to solve the problems addressed by it. Their role in the deliberations over the CMES proposal seemed to reflect their commitment to the structural improvement of the Korean economy.

Past successes made the government overconfident about its ability to implement development policies, so that the administrative feasibility of the CMES was not fully analyzed in the beginning. Although it was understood that successful implementation of this kind of policy reform required consistent support from other ministries, the business community, and the general public, policy-makers did not carefully consider the requirements for establishing these support linkages. Indeed, the Korean government was not accustomed to consensus-building efforts in the policy-making process.

Even though government officials acknowledged the merits of attaining some degree of unanimity in policy making, they worried about possible resistance from other ministries that might prevent approval by the top policy-maker. In the authoritarian sub-culture of policy planning, bureaucrats tended to perceive that conflicts and resistance to new policy decisions could somehow be diffused once the decisions were made. They therefore saw attempts to build a consensus at the initial stage of policy making as rather premature. Obtaining the President's approval of policy measures before initiating consensus-building among the relevant actors was seen as a more strategic and less costly approach.

Indeed, because of the authoritarian, bureaucratic, elitist, and secretive nature of the Korean government, government technocrats and economists of policy research institutes were compelled to play very decisive roles in the policy-making process of the CMES. This included assessment of the economic situation, conceptualization of the goals and objectives of economic management, definition of problems, assessment of environmental factors and development of policy alternatives.

Role of Economists in Policy Implementation

Once decisions are made in the Korean government, they are usually implemented effectively. Two instruments are at the government's disposal in facilitating the enactment of policies: the use of coercion to force obligations upon the citizenry, and the use of direct administrative discretion to achieving desired ends.¹⁵ In cases of major policy reforms, however, in addition to the strong commitment of political leadership, the government's implementing capability relies both on organization and the mobilization of external supports. Intra-government coordination involves the establishment of institutional and organizational arrangements, coordination devices for optimum resource use, efficient communication among implementing agencies, and mechanisms for resolving conflicts between agencies arising from policy change.¹⁶ External support can be acquired through a collaborative partnership between the government, the business sector and the general public. In this respect, policy research institutes, as government think tanks, tend to make little contribution to policy implementation. Nevertheless, researchers often play a personal role in the implementation process.

It is noteworthy that research institutes, after existing for more than a decade, tend to be enclaves of policy planners from government ministries and agencies. KDI, for instance, has produced many policy-makers in the last several years including ministers,

vice ministers, senior economic advisors to the President, directors-general and the like. High-level government officials are also posted at KDI for policy studies that will reinforce their policy-making capabilities. Furthermore, the policy research institutes often provide policy counsellors attached to ministers on a full-time basis to assist respective ministries. KDI, for example, dispatches fellows to both the planning minister and finance minister. In addition, almost all researchers provide consultative services to ministries in a personal capacity for policy planning, implementation, monitoring and evaluation.

With regard to organizational and institutional arrangements, several points deserve attention. First, the implementing capacity of EPB was strengthened when it incorporated the Bureau of Budget (transferred from the Ministry of Finance) and the Bureau of Statistics (transferred from the Ministry of Home Affairs), both of which it now manages while carrying out its central planning function. In addition, the Office of Planning and Coordination directly under the Prime Minister, and the Planning and Management Units at the assistant ministerial level of each ministry, are expected to support the EPB's implementation efforts. Furthermore, EPB was later made responsible for price policy, fair trade administration and oversight and evaluation of project performance. Second, the special effort to integrate planning and budgeting functions under the aegis of the Planning Minister is noteworthy. Furthermore, because EPB and the Office of Planning and Coordination formerly operated in different administrative contexts with independent conceptual frameworks, a drastic measure was introduced in 1966 to improve communication and mutual understanding; that is, the two bureaus were to periodically exchange middle-level administrators. Third, EPB was designated as a super-ministry through the appointment of the deputy Prime Minister as the Planning Minister, which enabled the ministry to coordinate economic policies beyond its technical capacity for coordination in its central budgeting function.¹⁷

Efficient communication between economic ministries is facilitated by an informal personal network of economic bureaucrats that developed from the interministerial transfer of higher-level civil servants, primarily from EPB to other economic ministries. Hence, EPB has become an "enclave" producing an administrative elite for other ministries.¹⁸ Training programs organized by the Central Officials' Training Institute and consultative meetings among high-level officials from different ministries also contribute to forming a communication network that improves information flow at a formal level.

The successful implementation of major economic policies requires smooth coordination among ministries and agencies to bridge gaps and eradicate unnecessary duplication of efforts. It also requires the cooperation of the business community and the general public. The Monthly Economic Review, the Monthly Export Promotion Conference, and the Quarterly Science and Technology Promotion Meeting, serve as mechanisms for sharing information and enhancing coordination, not only among individual ministries, but also between the government and the private sector. Chaired by the President, these meetings are attended by policy-makers and business leaders. Furthermore, interministerial coordination is achieved through the regularly held Economic Ministers' Council, which is chaired by the deputy Prime Minister and Minister of Economic Planning. The periodic Economic Vice Ministers' Meeting also serves as a coordinating

instrument beyond the technical-level coordination achieved through the planning and budgeting functions of Economic Planning Board.

The outcomes of intra-government conflicts arising from policy shifts are often crucial to the success of innovation. For example, explicit or implicit resistance from other sectoral ministries posed a significant obstacle to EPB's efforts to implement the CMES. The ministries of Agriculture, Trade and Industries, and Home Affairs were particularly resistant to the eradication of preferential incentives, expansion of import liberalization, and the reduction of rural housing projects included in the CMES. In spite of its position as a super-ministry, EPB was sometimes confronted with heated opposition which delayed the enactment of the measures contained in the CMES.

The CMES faced various forms of resistance, including vested interest groups, bureaucratic inertia, and sometimes institutional constraints. Initially, it appeared to be unpopular with both political and business elites. Some businesses had made large fortunes from the direct and indirect subsidies available under existing policies. And some politicians and senior officials had enjoyed political contributions and support from the business community.

Vested groups within the bureaucracy also made the CMES difficult to carry out for political and administrative reasons. When the process of interest articulation and aggregation through congressional politics was limited, particularly under President Park's dictatorship in the 1970s, the government bureaucracy became a "political" arena of interest confrontation and bargaining that directly reflected various societal forces with an interest in the policy-planning process.

At the administrative level, resistance to the CMES stemmed from tensions and conflicts between the existing bureaucratic elite responsible for current policies and the newly recruited bureaucratic elite who wanted to make a fresh start in rationalizing economic management.

The remaining obstacles have been gradually overcome through the vigorous, patient and consistent efforts of EPB technocrats, who have instituted a series of ex-post facto measures to improve interministerial consultations and communication. In this respect, EPB technocrats also took advantage of the supportive linkages with government economists at research institutes and the World Bank to overcome internal and external resistance.

The implementation of the CMES was explicitly and implicitly consistently supported over this period by former President Chun. The President proposed a nationwide campaign for the extermination of the "three negative mentalities" (Sam-Dae Boojung Simri) under which people perceived "corruption, inflation, and disorder" as tolerable features of a normal society.¹⁹ Moreover, his administration stressed the philosophy of the CMES and passed supportive measures. A series of policy rationalization efforts were introduced by the government. They included introduction of zero-based budgeting in government administration, freezing of the 1983 national budget at the level of the previous year, attempts to reduce agricultural subsidies from 1983 onward and gradually expanding trade liberalization.

President Chun was very committed to the CMES. He met with the chairmen of business conglomerates to persuade them to reduce or stabilize prices, and he personally prepared a note titled "Things to Gain from Price Stabilization." He also mentioned the possibility of import liberalization of certain items as an alternative to price stabilization and met with labour leaders and farmers to persuade them not to demand increases in wages and in government support prices for rice.

Efforts to diffuse resistance to the CMES included a public information, education and communication (IEC) program, which dealt with various subjects related to stabilization.²⁰ Asking the general public and government officials to build a consensus on economic issues, the IEC program sought to resolve internal conflicts and to reinforce the policy stance of the government as manifested in the CMES. Indeed, the IEC programs did contribute to ensuring the consistency of government action during the successful implementation of the CMES.

Successfully implementing change in economic policy requires close collaboration between the government bureaucracy and the business community and the political support of the latter. Relations between the two groups became more cooperative when business entrepreneurs were invited to participate in the decision-making process. Indeed, Korean economic development has been fostered in part by the traditionally close partnership between government and business. While the state has provided various incentives and favours to export-oriented businesses, private entrepreneurs have been invited to participate in the decision-making process through mechanisms such as the Monthly Export Promotion Meeting, policy forums and policy deliberation working committees.²¹ The business community provides information and advice both through formal and informal channels. In fact, the latter have seemed to be more effective, while the former have tended to be formalistic and cosmetic in practice. Objectively, however, informal collaboration can be viewed as undesirable collusion between government and business that is likely to encourage corruption and distortion in economic management.²² To avert this possibility, there should be counter-checks through appraisals of policy-relevant information.

On the whole, the complementary role played by government technocrats and private entrepreneurs has been enhanced when the private sector has participated positively in the economic decision-making process and thus has committed itself to policy decisions. The successful implementation of government-initiated development policies over the last two decades has legitimized government intervention in the private sector and has enhanced the credibility of administrative competence. This was especially true during the early stages of economic development, when the private sector was relatively weak in terms of capital accumulation, managerial talents and institutional infrastructure.

Nevertheless, the CMES of 1979 was unpopular among the power elite and from the beginning was bound to rouse resistance from political parties and the business elite. The business community seemed reluctant to extend its full support because the policy shift represented by the CMES was harmful to some industries which had once grown at unprecedented rates with government support, at the expense of society, and hyper-inflation. Nonetheless, because the CMES involved such a fundamental policy shift,

obtaining support from the business community and the general public was critical to the success of the stabilization measures.

To overcome these difficulties, the IEC Program, specifically a series of "Kyung-jae Kyo-yuck" (economic education) programs, has been introduced at virtually all levels of social organization, private and public. The programs were developed to explain the background, motivation, contents and expected results of the policy innovations. They attempt to gain wider and firmer support from their audience, which includes government officials and the general public, for the major policy shifts and specific measures introduced by CMES.²³

The basic assumption underlying this IEC program was that the intra-governmental conflicts and the resistance from some business groups would be fragmented in nature. Therefore, government strategists believed that the resistance could be surmounted in the long run, once the government had built a critical mass, both within and outside government, of those who agreed with the new policy ideas and supported the CMES.

In 1982, EPB established a regular unit at the bureau level to make the IEC program more extensive and professional in terms of audience, substantive issues and use of the media. In addition to slide presentations, EPB used a media bombardment of booklets, newspapers, TV and radio programs, and public lectures in order to address the widest cross-section of persons, including housewives and even military personnel. In this process, there is no doubt that KDI selectively participated in the preparation of IEC materials and implementation of programs by providing technical expertise and institutional reputation.

The program has induced people to redouble their efforts to achieve higher productivity and welfare and to cooperate with new policies. In this vein, it should be noted that not only the quality of the slide presentations developed by EPB technocrats sensitivity of an educated population, made the IEC program a success.

Monitoring and Evaluation of Policy Performance

Policy research institutes tend to be extensively involved in monitoring and evaluation of policy performance because of the nature of policy research. Although research projects are not necessarily motivated by monitoring or evaluation goals, some projects inevitably produce critical information conducive to such a role. For example, KDI's quarterly assessment and estimation of the Korean economy certainly helps the government monitor economic performance in terms of macro-economic indicators. Moreover, KDI intentionally conducts follow-up studies to assess the impact of major policies in order to provide feedback for planning and implementation and purposes.

Conclusions

This study on the role of policy research institutes in national economic management has noted that economic management by the Government of the Republic of Korea meant government intervention in the economy through planning, implementation, monitoring and evaluation of major economic policies and programs. In preparing mid-term policies, including the five-year development plans, EPB invited extensive participation by related ministries, research institutes, universities, business organizations, labour unions and consumer groups. In implementing mid-term plans, the government made use of annual economic management plans which KDI played a significant role in producing. The government also placed considerable value on long-term studies undertaken by research institutes, which provided comprehensive perspectives on future policies. Individual policy proposals initiated by ministries were, however, processed secretly or among a limited number of elite officials and were seldom made open to public discussion. That elitist approach naturally required extensive participation by policy research institutes to make the policy choices rational and justifiable, as was clear in the example of the Comprehensive Measures for Economic Stabilization (CMES) adopted in 1979.

Policy research institutes have conducted bench-mark studies from which long-term policies and major policy innovations were derived. Their research has covered not only analytic issues, but evaluation research for monitoring and feedback purposes. Although the actual administrative measures and steps are taken by government officials, ideas and policy recommendations are drawn from policy studies conducted by research institutes. Policy research institutes, as government think tanks, have important roles to play in the policy implementation process in both personal and institutional capacities. Research institutes tended to be enclaves of future policy planners in government ministries. Successful implementation of major economic policies requires efficient communication between economic ministries, which is often made possible by an informal personal network of economic bureaucrats, aided by a process interministerial transfers of high level civil servants. Success also requires the cooperation of the business community and the general public. The Information, Education and Communication Program (IEC) featuring economic education efforts was introduced in an effort to reduce resistance to the CMES. Policy research institutes were also involved in monitoring and evaluation policy performance, and often conducted follow-up studies for feedback purposes.

It is pointed out that the research institutes complemented and often cooperated with one another in preparing policy alternatives. An individual institute is affiliated to a related government ministry to the extent that the former provided the latter with research-based policy recommendations, though autonomy in conducting research remained guaranteed.

It is further mentioned that follow-up studies are not mandatory for KDI, but sometimes constitute an important part of its activities. Mention is also made of the fact that individual proposals are initiated by concerned ministries whenever important policy issues emerge. They complement or modify directions outlined in the mid- or long-term plans and make economic management more flexible.

Finally, it is noted that policy research institutes, or think tanks, in Korea could play very important roles in the coming decade in the actual policy-making process. Members of policy research institutes can ultimately serve as policy-makers in the government assuming responsibilities for policy planning and implementation in the real world.

Notes

1. J.Y. Yoo, "Policy Sciences: Its Methodological Perspectives in Developing Nations," a report of the Korean Political Science Association, Seoul, 1975, pp. 21-36.
2. See Yehezkel Dror, *Design for Policy Science*, (New York: Elsevier, 1971), p. 63.
3. For a definition of "public," see J. Dewey, *The Public and Its Problems*, (Denver: Alan Swallow, 1972), p. 12; for "public policy," see R.I. Hofferbert, *The Study of Public Policy*, (New York: Bobb-Merill, 1974), *The Study of Public Policy*, (Englewood Cliffs, N.J.: Prentice-Hall, 1972), pp. 3-8; and T. Dye, *Understanding Public Policy*, (Englewood Cliffs, N.J.: Prentice-Hall, 1972), Ch. 1.
4. See G.T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis*, (Boston: Little Brown, 1971) p. 30; see also A. Downs, *Economic Theory of Democracy*, (New York: Harper & Row, 1957), p. 5; and R.H. Haveman, *The Economics of the Public Sector*, (New York: John Wiley, 1970).
5. Traditionally, terms such as administration and public administration have been used to imply implementation. In a behavioural sense, however, those concepts are rather limited in meaning and applicability, and this is why we prefer the term implementation.
6. J.L. Pressman and A.B. Wildavsky, *Implementation*, (Berkeley: University of California Press, 1973), p. 167.
7. C.O. Jones, *An Introduction to the Study of Public Policy*, 2nd ed., (North Scituate, Massachusetts: Duxbury Press, 1977), p. 139.
8. See R.I. Hofferbert, *The Study of Public Policy*, (1974).
9. Interministry conflicts do develop from time to time. Once, for instance, the Minister of Administrative Affairs obtained approval from the President to raise the pay of all government employees, but a week later the Minister of Economic Planning persuaded the President not to raise their pay, thereby killing off the original policy.
10. In 1982, upon losing its programing function, it became the Office of Administrative Coordination.
11. In-Joung Whang, "Leadership and Organizational Development in Economic Ministries of Korea," *Asian Survey*, Vol. 11(10), Oct. 1971, pp. 992-1004.
12. The Korea Development Institute, an autonomous policy-oriented research organization, was founded in 1971. KDI was originally established by the Korean government as an economic think tank that could provide a rigorous academic perspective

on various economic policy issues which had arisen during Korea's rapid growth and development in the 1960s. Since then the scope of KDI's activities has grown, and it is now often called upon to provide expert analysis and advice on all aspects of long- and short-term government policies in areas ranging from domestic economic policy to international economic cooperation. In addition, KDI itself has played an increasingly important role in promoting international economic cooperation. By sponsoring international forums on development and maintaining links with research organizations and individual scholars all over the globe, KDI contributes greatly to strengthening ties between Korea and the rest of the world.

13. Nyum, Jin, "The Economic Development Plan and Economic Management System in Korea," a paper presented at a KDI Forum on Industrialization and Trade Promotion, Seoul, May 15-24, 1984.
14. Kihwan Kim, *The Korean Economy: Past Performance, Current Reforms, and Future Prospects*, (Seoul: KDI, 1984), pp. 17-24.
15. Jones and Sakong, *Government, Business, and Entrepreneurship in Economic Development: The Korean Case*, (Cambridge, Mass: Harvard University Press, 1980), pp. 79-140.
16. In-Joung Whang, *Administrative Feasibility Analysis for Development Projects: Concept and Approach*, (Kuala Lumpur: APDC, 1978).
17. In-Joung Whang, "Role of Government in Economic Development: The Korean Experience," *Asia Development Review*, Vol. 5(2), 1987, pp. 70-88.
18. In-Joung Whang, "Elite and Economic Programs: A Study of Changing Leadership for Economic Development in Korea, 1955-67," Unpublished Ph.D. dissertation, University of Pittsburgh, 1968, pp. 93-97.
19. "1982 Annual Message" of President Chun Doo Hwan, *Dong-A Ilbo (Dong-A Daily News)*, January 22, 1982, pp. 2-3.
20. It is noteworthy that the government's initial attempt to use IEC activities was made in the early 1960s for the First Five-Year Economic Development Plan, and the Ten-Year Family Planning Program, 1962-71.
See In-Joung Whang, "Implementation of Family Planning Program in Korea, 1962-71," in Gabriel Iglesias, *Implementation: The Problem of Achieving Results*, (Manila: EROPA, 1976), pp. 309-336.
21. Young-Whee Rhee, *Instruments for Export Policy and Administration: Lessons from the East Asian Experience*, (Washington: World Bank, 1985), Staff Working Paper 725, pp. 186-187.
22. Kwangsuk Kim, "Korean Patterns of Economic Management: Lessons from Experience in the 1960s and 1970s," (Honolulu East-West Center, Jan. 1986), mimeo.
23. Economic Planning Board, "1983 Economic Education Programs," (mimeo in Korean, 1983) and "1982 Economic Education Guide," (mimeo in Korean, 1982); and KDI, *Collection of Documents and Study Reports in Relation to Economic Stabilization Policies*, Vol. I and Vol. II. 1981, mimeo in Korea), pp. 99-104.

Japan

Think Tank Activities in Japan and Their Future Role in the Asia-Pacific Region

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The Policy-Making Process in Japan

Dynamic Changes and Long-Range Plans

The era immediately following the Second World War was one of economic recovery and growth in Japan. But it was much more than just a period of recovery; it was, in fact, a virtual technological revolution coupled to the appearance of a massive consumer society. As Japan's competitive power in overseas trade grew, the trade imbalance was correspondingly reduced. Responding to the growing demand for imports, Japan opened its markets and gained Article eight status with the IMF and became a member of the Organization for Economic Cooperation and Development (OECD).

Japan enjoyed what some have termed a miraculous economic growth, but in reality, its economy underwent furious fluctuations. In the labour market, the manpower surplus developed into a chronic shortage. There were also large population shifts as agricultural workers moved to cities in search of high-income employment. Pricing policy, hitherto focused on consumer items, public goods and services, was extended to deal with industrial structure, supply and demand, administration and other such issues.¹ Yet, in spite of these difficulties, a plan to double national income proved to be most successful. It stimulated the Japanese economy and paved the way to a positive future for a people who had suffered much through the ravages of war.

During the next phase of economic planning in Japan, social issues such as welfare, the environment, and concerns over the quality of life came to assume importance in the planning process. Income and wage increases exceeding productivity improvement, plus the already high rate of consumption, created skyrocketing price increases. At the same

time, air and water pollution, together with the disposal of hazardous waste, caused severe environmental damage.

During the 1970s, the world economy suffered from repeated shock waves caused by crises in international finance, food shortages and the catastrophic increases in oil prices. Japanese society, and its economy in particular, were thrown into confusion. In 1976, the economy experienced its first period of minus growth since the end of the Second World War. It was against this background that long-range planning came to have an added emphasis on social issues and the quality of life. A step forward along these lines, was the establishment of the National Land Agency in 1974, which was designed to improve (and make consistent) the nation's land development policy.

In 1978, the standard of living average reached a per capita GDP of about US \$8,400, indicating that Japan had achieved a level equivalent to that of advanced Western countries. Despite many difficulties during the 1970s and 1980s, the economy has developed steadily and Japan's international status has changed drastically. The effects of these changes were much greater than most Japanese realized. In short, they made Japan an important member of the world community; a country rich in advanced technology and capable of investing enormous amounts of capital.

Due to the inherent complexity and difficulties of global interdependence, conflicts between Japan and other countries have developed. In order to adapt Japan's economy and society to this environment, most of the recent long-range plans have tried to deal with these problems. A structural revolution has occurred, entailing a transformation from an export- to an import-oriented economy, an expansion of domestic demand and the deregulation of government intervention. Economic cooperation with less developed countries has also become an important facet of Japanese policy. In this third phase of economic planning, the key concept has clearly been internationalization.

Japanese long-range plans have been put through frequent reassessment and adaptation to keep pace with change. The rapid nature of these changes has made it impossible for any plan to survive for long. Ironically, the duration of long-range plans have proven to be quite short.

Forming a Consensus Assisted by Think Tanks

Long-range plans are requested by the Prime Minister from the Economic Council or the National Land Council, which function as advisory committees. In his request, the Prime Minister indicates only the general purpose of the plan and the councils organize the process by which it will be drafted. At the discussion table, research results from opinion surveys, computer simulations and so on, are presented. This research is done primarily by think tanks. After several months' discussion, the councils submit a draft plan to the Cabinet. The draft is then adopted as government policy, generally without any amendments.

To insure the efficacy of the plan, a consensus has to be achieved not only among the Cabinet members, but also among the many government organizations and social groups. This consensus is reached during the deliberative process conducted through various channels, many of which are provided by think tanks.

First, the plan must be consistent with the policies of the political party in office. The Liberal Democratic Party (LDP) has been in power since 1955, so all long-range plans have been negotiated with them before they are presented to Cabinet. Second, during the drafting process, coordination between the ministries occurs directly and indirectly. Maintaining this coordination is thought to be the most important step in the process. The Economic Planning Agency and the National Land Agency are in charge of facilitating this planning and coordination. The third step is coordination with the private sector. Members of the planning councils are leading figures in academia, business, labour, think tanks, and so forth, so they are in a position to facilitate this step. Finally, there is coordination with local government, which is particularly important for the implementation of land development plans.

Various levels of coordination can lead to a nation-wide consensus. Many people, belonging to many sectors of society, are privy to information concerning these plans. Common recognition of the issues and problems facing Japan helps to guarantee the success of the plans.

For the general public, economic planning has come to embody the desire for a healthy economic future. Planning has helped to facilitate the introduction of long-range considerations within the decision-making processes of government departments, private enterprise and among individuals. Government plans provide private entrepreneurs with a basis for confidence but, when combined with keen competition for market shares, have often led to an over-expansion of the economy. This has, in turn, led to requirements for adjustments. The characteristics of Japanese long-range planning and their role within a free market can be summarized as follows:

The first task of a plan is to indicate the general direction of government policy over an extended period of time. This provides the basis for the specific policies adopted by each government ministry and guarantees consistency between them. (It is worth noting, however, that the system thus lacks an effective means for evaluating implemented plans.) Defining the direction of government policy has another practical advantage, as it aids each ministry in negotiating their budget with the Ministry of Finance for the coming year.

The second task of these plans is to provide analysis of long-term economic problems and to propose suitable strategies for overcoming them. Analytical methods such as econometric models have consequently developed alongside economic planning.

Finally, the plans are expected to provide guide-posts for the private sector, both entrepreneurs and consumers, by revealing Japan's economic and social developmental process.

Plans with the above characteristics are termed "indicative." No plan, however, has ever stayed in place over its entire target period. Of the 11 long-range economic plans implemented since the end of the Second World War, the average lifespan has been less

than three years. Also, the private sector is under no obligation to follow the plans, and business trends have tended to develop faster than prescribed in them. Their indicative character, nevertheless, is the aspect which differentiates these plans from those formulated in socialist countries.

Perhaps the most important feature of long-range planning in Japan is the consensus-making process, which allows for a cooperative focus on a common goal. The many channels of coordination, plus the presence of "think tankers," scholars, businessmen, and leading figures from society on the planning councils makes consensus possible. Bureaucrats from the various ministries work together with businessmen from the private sector at the Economic Planning Agency and the National Land Agency on a temporary, associative basis. At the same time, many "spun-off" or retired bureaucrats are working for think tanks as "information transporters" and "agenda setters."

These formal and informal connections between the public and private sectors have assisted Japan's successful economic development. There exists no powerful centre of leadership, nor any one person to draft these plans. They are a cooperative effort, providing the public with information on problems faced by Japan and serving as a rallying point for their rectification.

Activities of Japanese Think Tanks

Think tank activities range from policy research (designed to provoke fresh responses to government policy-making processes), to investigating corporate business strategies. Think tanks vary in character and function. Some institutions may exclusively study public policy, while others focus on industry. If, however, we were to seek the common feature shared by all Japanese think tanks, it would be their orientation toward the future. Enumerable studies focus on the problems now confronting contemporary society and offer recommendations for the future.

Historical Development

Since its introduction from the United States 25 years ago, the concept of the think tank has taken root in Japan, especially in Tokyo. The number of new think tanks reached its peak around 1970, thus prompting the appellation, "the year of the Japanese think tank." The Nomura Research Institute (NRI) was established in 1965, the Mitsubishi Research Institute (MRI) in 1970, and the National Institute for Research Advancement (NIRA) in 1974.

The rapid growth of the Japanese economy following the ravages of the Second World War was achieved largely through economic activities dependent upon the consumption of large amounts of natural resources. By the early 1970s, however, it became

clear that grave damage had been done to the environment and the society as a result of this economic growth. The complexity of the problem was so great that no single entity, either government or academic, was equipped to tackle it.

System theory thus came to be introduced from the United States into Japan, where it had a significant impact on thinking about these problems. The American model of the think tank brought different academic disciplines together to conduct problem-solving policy research, utilizing a method developed under system theory. Some Japanese had great expectations that think tanks would provide the effective means to solve emerging social problems. At the same time, the development of computer technology led people to anticipate the coming of a new information-oriented society and there was a general Japanese attitude to look to "futurology." Thus, the think tank developed rapidly in both the public and private sectors.

Think tanks have developed alongside the changing socio-economic context of Japanese society. But their development has not always been smooth. The oil crisis and resulting recession hit think tanks hard, as it did many other institutions and industries. After the economy recovered, however, many new think tanks were established, this time in areas outside of Tokyo. These new think tanks advocated the revitalization of regional economies and rectification of regional economic standards to meet those of the capital.

All indications are that a second "think tank boom" is underway now. The boom of two decades ago targeted research on public policy and led to many policy recommendations. However, the current trend reveals a shift to research by the private sector, run by large businesses. Their focus has been largely on market structure as it impacts corporate strategy, and future prospects for lifestyle and culture.

The original, American concept of the think tank may not have been exactly transplanted into Japan, mainly because of differences in social climate and policy-making processes. Japanese think tanks, including the older ones established prior to the 1970s, have developed their own unique field of intelligence, creating a middle ground bridging academia and the policy-making world of government, as well as linking universities and businesses. In this sense, the Japanese think tank has played a significant role in the development of an information-oriented society.

Non-profit or Profit-making Organizations

Japanese think tanks can be roughly classified into two groups: non-profit and profit-making organizations. Most non-profit think tanks have been established by the government or by local municipalities. In contrast, there are many different types of profit-making think tanks. Some, such as Mitsubishi Sogo Kenkyujo (Mitsubishi Research Institute, Inc.) and Nomura Sogo Kenkyujo (NRI & Associate Co., Ltd.), were established by large companies, while others are small independent organizations receiving no financial support from any one company or group of companies.

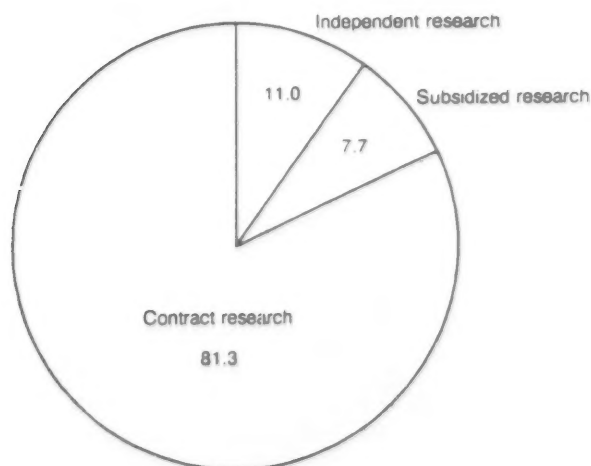
Private think tanks frequently work for a parent organization or affiliated company. However, many privately-owned think tanks undertake a considerable amount of research for the central and regional governments. Private sector groups may also contract research out to public, non-profit think tanks. When classifying think tank research into that which is focused on public policy or business, both public and private think tanks handle policy research, but only private ones tend to conduct business-oriented research.

Clients

Japanese think tanks generally conduct three kinds of research: contract-based research, independent research and subsidized research. A survey of research activity compiled by NIRA in 1988, provides information on 829 research projects.² Of these, 81.3 percent was contract research (Fig. 1). The primary clients for the research were local governments (36.9 percent), the central government (22.1 percent) and public bodies (23.7 percent). Clients from the private sector account for only 9.5 percent (Fig. 2).

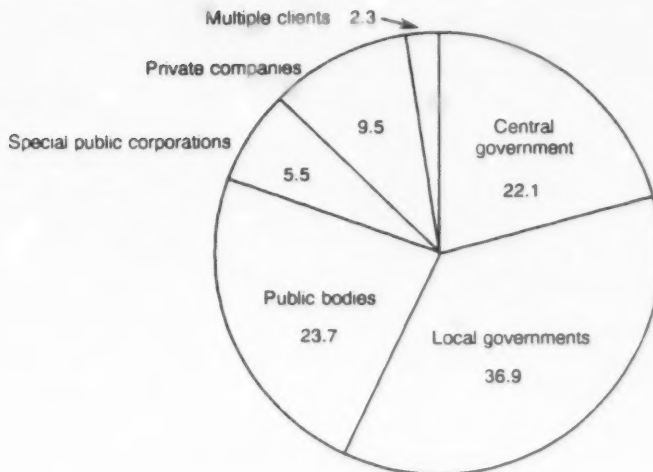
However, private firms are actually very important clients for profit-making research organizations. More than one-half of the think tanks' total income comes from the private sector.³ This indicates that research commissioned by the private sector is generally kept confidential, thus making it difficult to compile data on the results of the research, or even to provide information on research titles and names of clients.

Figure 1
Percentage of Research Types



Derived from the *Think Tank Nenpo* 1988, p. 313.

Figure 2
Client Percentages for Contracted Research



Derived from the *Think Tank Nenpo* 1988, p. 313.

Research Reports

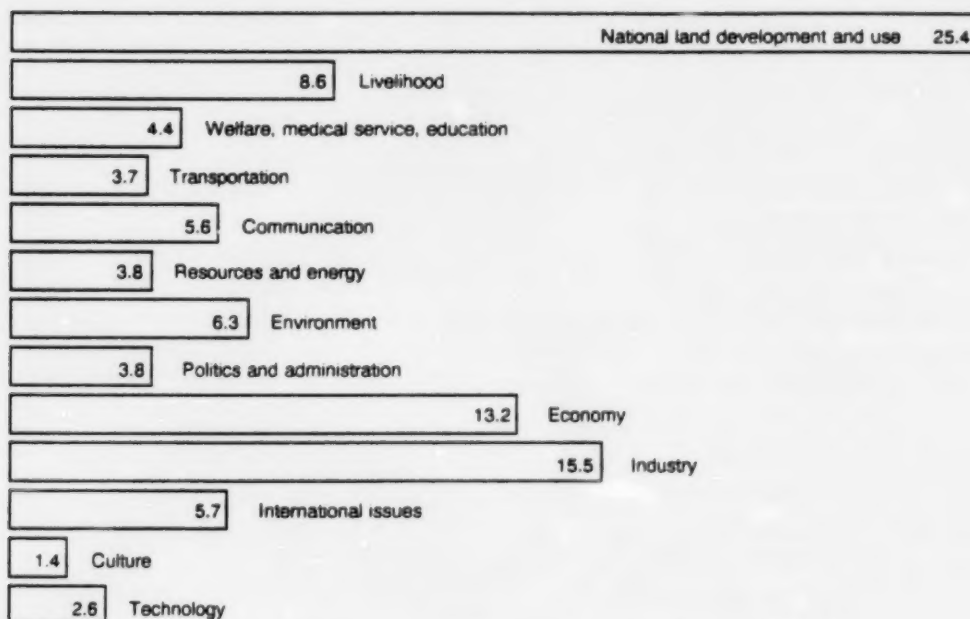
Public accessibility

According to NIRA, 133 think tanks produced a total of 3,729 reports from April 1987 to March 1988.⁴ Of this total, only 1,054 reports were accessible to the public.⁵ Inaccessible reports are, to a large extent, industry-oriented, although they do include some public policy-oriented research. Sometimes the responsible government official elects to keep reports prepared for the government or local municipalities confidential. "Not accessible to the public" does not always mean complete secrecy, however. Some reports are brought into the public domain after a period of time. Also, even though many such reports are not disseminated broadly, they are available on an individual basis, upon request. The following discussion is focused on those research reports which are open to the public.

Fields of research

Of the 829 projects reported upon by NIRA, the most popular field of research inquiry was "national land development and use" (25.4 percent), the second was "industry" (15.5 percent) and third was the "economy" (13.2 percent) (Fig. 3). Compared with think tanks activity in 1975, research on national land development and use, livelihood and industry has increased, while the amount focused on transportation, resources and energy and environmental problems has decreased (Fig. 4). This trend is in keeping with the growing focus on social issues.

Figure 3
Research Field Percentages Prepared in Fiscal 1987



Cited from the *Think Tank Nenpo* 1988, p. 313.

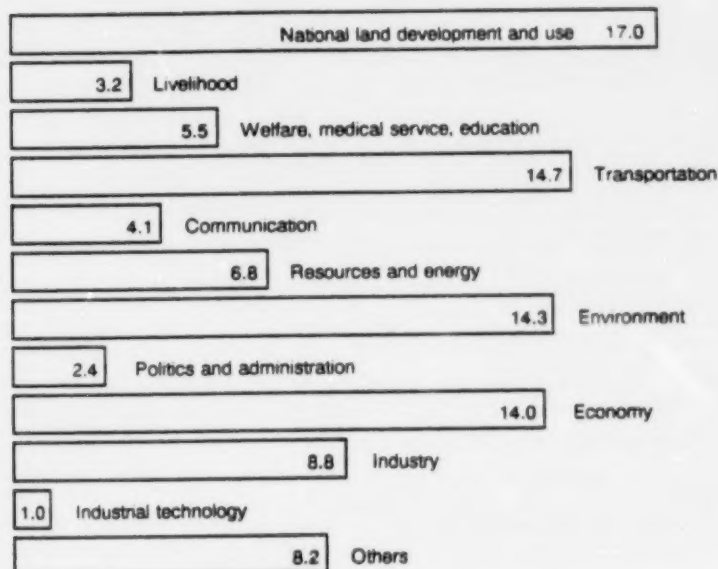
Distribution channels

Reports prepared for publication are sold, or distributed free of charge, to interested organizations or individuals in limited numbers. Individuals tend to be sponsors, members or policy-makers in government and local municipalities. Some reports which are initially released without charge, come later to be sold after they achieve lasting value and influence.

Reports are sold either directly by the research institution, through the government printing office, through commercial publishers, or by some combination of the three. Reports sold through the government printing office are primarily government publications edited by the government and its agencies, and published by the Printing Bureau of the Ministry of Finance. However, this category also generally covers think tank publications and private publications on public policy.

According to NIRA's 1988 survey, 904 out of 1,054 accessible research reports were actively released to the public (Table 1). Of these 904 reports, the commercial publication

Figure 4
Research Field Percentages Prepared in Fiscal 1975



Derived from the *Think Tank Nenpo* 1981-82, p. 6.

of 20 reports proved the best method for reaching the general public. The government publications were not well advertised, due to their non-commercial nature, and were hence little known by the public.

The majority of research reports (478) were provided free of charge to the related institutions or sold directly on a non-commercial basis (146), thus limiting further their accessibility to the general public.

Distribution level

It is difficult to give accurate figures for the total number of distributed think tank reports. The publication numbers in Table 1 may, however, give some indication. "Not-for-sale" reports have the smallest average distribution level (439 copies). Commercial publications account for the largest average distribution (4,598 copies), although this is a very small a number when compared with general commercial publications. The average number of copies of government publications and publications sold directly on a non-commercial basis are 1,630 and 555, respectively. The number of copies sold would, however, naturally be much lower than the number of copies published. The distribution of think tank reports are quantitatively restricted and limited by distribution channels.

Table 1
Distribution Channels for Research Reports,
and Average Numbers of Copies Distributed

Distribution Channel	Number	Average Number of Copies
Free	478	439
Sold directly	146	555
Commercial publications	20	4598
Government publications	26	1630
Others	234	251
Total	904	-

Source: Unpublished data.

Periodicals

In addition to compiling research reports, many think tanks publish information on their activities through their own periodicals. These periodicals are varied, encompassing those that present the research findings of independent research, including monthly survey reports by bank-related think tanks; periodicals to publicize activities; and public-relations periodicals to enhance the institution's image.

According to the 1988 NIRA survey, out of the 145 sample institutions, 104 (over 70 percent) publish 220 periodicals (Table 2). The most popular publication style was the monthly publication, with 78 periodicals published in this format.

Of these, almost one-half are sold commercially and nearly 70 percent are available to the general reader, excluding free copies. These periodicals, however, are not sold through general distribution channels, so they may be as difficult to obtain.

Table 2
Think Tank Publications

Frequency of Publication	Number	Charge	Free	Members Only	Unidentified
Weekly	2	2	-	-	-
Semi-monthly	8	3	-	4	1
Monthly	78	43	11	22	2
Bi-monthly	8	1	1	6	-
Quarterly	17	8	6	3	-
Semi-annually	12	5	4	3	-
Annually	41	24	8	7	2
Others	54	19	13	20	2
Total	220	105	43	65	7

Source: Unpublished data.

The reason most think tank publications are not particularly consumer oriented may stem from an inherent weakness in the publication and publicity systems of think tanks. According to NIRA's 1988 survey, only 42 think tanks, or less than 30 percent of the 145 institutions that answered the opinion poll, have a specialized staff for editing or selling their publications. The average staff size for these functions is 2.5 people per institution. Only two think tanks had more than 10 staff members working on publications, and only 26 institutions had a publication/sales section.⁶ A partial explanation for this situation might be two-fold. First, the copyright to a research report written on a contractual basis belongs to the client, not to the think tank that actually conducted the research, regardless of whether the report is open to the public or not. Second, taxation laws prevent non-profit think tanks from engaging in any commercial activities, although there are exceptions.

The Role of NIRA in Promoting Information Accessibility

The Think Tank Nenpo (Almanac)

NIRA was established in 1974 by a special act of the Diet as Japan's first joint public-private think tank. NIRA has since promoted policy-oriented research activities and international academic exchanges. NIRA has another important task: collecting, analyzing and supplying information concerning think tank research activities. As a part of this effort, NIRA compiles and publishes the *Think Tank Nenpo*. The latest and tenth edition (1988), contains 829 research abstracts and 1,387 research titles, all projects conducted by the 149 surveyed Japanese think tanks. A brief outline is provided for each institution. The think tanks introduced in the Almanac were selected mainly because they are institutions established by Japanese law, and because they are institutions that NIRA has worked with through research contracts and subsidies. Despite this limitation, the book covers almost all the leading think tanks in Japan.

Think Tank Nenpo is an effective tool for acquiring actual research reports. It aids the policy making and research plans of government policy-makers, private company planners and R & D personnel, as well as assisting in selecting an appropriate think tank for particular research. This almanac also provides basic information on the current situation of policy research in Japan.⁷

Public Information Activities

Usually, research findings are the clients' exclusive property. NIRA's major contribution in this regard may be its effort to disseminate such research findings to the public. To this end, NIRA has provided financial support to domestic and foreign research institutions. Since its establishment, NIRA has subsidized about 450 research projects and given grants for about 300 research projects conducted by some 200 Japanese and

foreign think tanks. The research findings produced by these projects, including NIRA's own research efforts, are published in *NIRA Kenkyu Sosho* (formerly called *NIRA Output*), following the principle that all reports should be released. This series of research reports is available free of charge to concerned public and private institutions, as well as to major libraries. *NIRA Kenkyu Sosho* may also be sold when NIRA owns the copyright. Reports on themes of international importance are translated into English and published in the quarterly journal, *NIRA Research Output*. Some research results are also produced in cassette tape or videotape formats.

Updated information on NIRA's activities, such as the inauguration of new research projects or the completion of reports or symposia schedules, are available in the monthly newsletter, *NIRA News* (in Japanese). *NIRA News* and *NIRA Publication List* (English) are available through exchange with foreign institutes or are distributed without charge. *Think Tank Nenpo* (Japanese), *NIRA Kenkyu Sosho* (Japanese), *NIRA Research Output* (English), publications for regular circulation (some available in English), and conference literature (some available in English), are available for purchase at major bookstores, Government Publications Service Centers and the NIRA office.

Other Means of Accessing Information

Some think tank research reports are introduced to the public by reference or citation in newspaper articles and magazines. Finding the original source for such citations is in many cases very difficult, as many newspapers and magazines do not specify the source or provide bibliographic information.

One of the more efficient means of accessing information is scanning indices and journal abstracts, or databases. *Joint* (Nichi Gai Associates), written in Japanese and sold on a commercial basis, is a useful monthly index journal on magazine articles. *Joint* includes information on monthly surveys conducted by banks and other financial institutions, and bulletins and newsletters published by economic and other organizations. It also covers some periodicals published by think tanks.

Nomura Search (in Japanese), a monthly journal published by the Nomura Research Institute, introduces research reports compiled by think tanks and business corporations, and their affiliated organizations. This publication is available upon request to the Nomura Research Institute. It is another effective tool for finding information on think tank research. The Nomura Research Institute also collects research published in Japan, and has created data bases on it. At present, however, they are for in-house use, and are not generally accessible.

The Seifu Shiryō Abstract (in Japanese) is a monthly periodical published by the the Institute for Disseminating and Researching Government Data. It deals with summarized government documents published by governmental agencies and affiliated government organizations. Accessibility to this abstract, however, is generally limited to members. This abstract also covers think tank research reports produced under contract

to government agencies, as well as NIRA publications. This organization also provides perusal, photocopy and loan services for documents contained in the abstract, and will photocopy such documents for overseas customers with a postage and copying charge.

Access to think tank publications has increased greatly due to the efforts of NIRA and other institutions to provide better retrieval tools. Foreign scholars hoping to acquire Japanese think tank publications, however, face one major problem: the language barrier.

Almost all the think tanks prepare their study reports in Japanese, unless the client is a foreign institution or individual. According to NIRA's 1988 survey, out of the 220 regularly published periodicals, only seven were in English, and these were published by three institutions. Six of these seven are issued by think tanks specializing in international issues. *NIRA Research Output* gives priority to topics concerning international problems, but it does include some on domestic issues. It is quite difficult, therefore, for those without Japanese language ability to find information on Japanese domestic issues.

The Role of Think Tanks in the Asia-Pacific Region

In order to learn what roles are performed by private organizations in the process of international relations and foreign policy formation, NIRA conducted a survey of over 160 influential opinion leaders, including policy-makers, scholars and researchers in three regions—the United States, Western Europe and Japan.

Many respondents cited the development of policy proposals, promotion of analysis and exchanges of views among the various domestic and international circles as important contributions. Regarding the degree of private organization influence, the majority of those surveyed believed that the organizations had an indirect influence over medium- and long-term issues. It should also be noted that many respondents emphasized that the organizations often provided early warning against possible international problems and checked excessive government activity. Concerning those issues facing private organizations in the future, respondents cited solving financial problems, as the overwhelming priority.

With regard to Japanese participation in international conferences and joint foreign policy research, the number of linkages has dramatically increased at the same time as the quality has improved in terms of linguistic ability. The survey made clear, however, that there are rising international expectations for the Japanese to play a more positive role in the management and execution of international conferences and joint research. Although the study revealed an increase of Japanese participation in international conferences, there have also been many cases in which Japanese, although invited, did not participate. Many respondents felt that the Japanese were skilled in economics and scientific technology, but poor at handling foreign policy and political and security issues.

In order to increase Japanese participation in international conferences and joint research projects, the need was emphasized for the recruitment of competent persons, the

improvement of financial support (including tax incentives), improving competence in the non-governmental think tanks in the field of foreign relations, and increased foundation and/or corporate philanthropy for foreign relations research and international exchange. A considerable number of those polled also suggested that efforts should be undertaken to improve the environment for Japanese participation by promoting, for example, understanding of Japanese society.

The potential of private organizations in international relations is keenly felt by many influential private opinion leaders abroad who are urgently seeking cooperation with Japan, despite current frictions and difficulties, in a post-hegemonic, bi-polar world order.

For many years after the Second World War, the international society was composed of a bipolar system sustained by the United States and the Soviet Union. Signs of multipolarization appeared in the 1960s. One causative factor behind multipolarity is the structural change of military power. The intensification of the development of technology for military power by the two superpowers, which centered on nuclear power, meant their hands and their political margin of freedom were restricted by the very fact that, as nuclear powers, any false move might trigger a total nuclear war. Nuclear armament also forced their national economies into supporting burdensome and colossal military outlays. Therefore, as a result of the fierce arms race between the two nations, their power to compete in the marketing of civilian industry products, as well as their economic strength, have degenerated. In contrast, the economic power of such developed nations as Japan and West Germany, whose defence spending and military research and development are relatively small, have recovered.

The decline of the superpowers' economies, fanned partly by the reduced validity of nuclear power itself as an indicator of political strength, has led to a diminution of the significance of the superpowers as models for development.

In a contemporary world, there are many unions and federations of states. While they may differ in their circumstances of formation and history, it is important to explore the motivation behind various unions such as Europe 1992, the Free Trade Agreement between U.S. and Canada, the Association of South East Asian Nations (ASEAN), and the Asia Pacific Economic Cooperation (APEC). The main unifying principle supporting the various regional unions is security. But, as already noted, the influence of military power as a unification principle has greatly weakened. What remains is economics. International economic relations are increasing in density. It is not an exaggeration to say that economic ties have covered the earth many times over, so that today, even a tiny move on the world's financial or commodity markets can greatly affect the daily lives of people all over the world.

The Asia-Pacific region is the focal point for Japan's efforts to foster a structure for a new world economic system, beyond the exclusive benefits for Japan. Historically, the Asia-Pacific region has searched for a framework of cooperation which focuses on the region's economic potential. As the activities of the Asian newly industrialized economies (NIEs) suggest, this area has been able to make considerable progress and the expansion of trade in the region points to a rosy future. However, when we look at the region's

various political systems, we have to accept the fact that there are still many uncertainties, and peace has not yet been achieved.

What is needed is a peaceful and open framework of mutual dependence based on a loose solidarity that respects the diversity of the area. If this is achieved, the centre of the world's gravity will definitely shift to the Asia-Pacific region. Japan has to perform the role of fostering a chain of functional links in this watery region by giving consideration not only to technological development, but also to the training of manpower.

Peace and security is not something which is given, it has to be created. It must be understood as a broad concept including its relationship with economic development, social development, disarmament (including nuclear arms), abolition of racial discrimination, human rights, exercise of freedom, and improvement in living conditions.

Pacific nations must make a special effort to replace the present "small peace" with a "large peace" by attaching importance to issues other than military power. Japan, indeed, has a mission to achieve a sophisticated, comprehensive concept of security which should be called a "non-nuclear system of security." It is perhaps justified to say that this is possible only in the Asia-Pacific region where the concept of peace has not yet been solidified. Japan's creative capacity as a non-nuclear power is now on trial.

As the Asia-Pacific system develops, a number of problems will arise around the turn of the century which will require close attention. How these problems are addressed will determine the smoothness of the transition into the new century.

In order to build a structure for peace in the Asia-Pacific region, the following efforts are required: the building of an infrastructure for the economic development of the region; the diminution of factors underlying regional conflicts; the keeping of peace in the region through ensuring political stability; and the establishing of a multinational forum to discuss relevant issues.

Think tanks in the Asia Pacific region can analyse many of the above issues. They can set agendas among those issues to encourage government action and they can provide tables for discussion within a multinational forum. These forums can be especially important for small countries and they can exist beyond hegemony, beyond East and West, and beyond the Haves and the Have Nots. Because think tank activities are privately handled they can make important and unique contributions to the origins of power in international settings.

Notes

1. These factors ultimately led to economic and land development plans designed to correct inter-regional income gaps. The Japanese government has implemented 11 economic plans and 4 land development plans since the end of the Second World War.

2. *Think Tank Nenpo*, (Tokyo: NIRA, 1988).
3. Ibid.
4. Ibid.
5. Unpublished data.
6. Unpublished data.
7. It should be noted that NIRA designated the following 10 priority research themes during the five-year period beginning in fiscal 1986:
 - a. Humankind and the future - Japan and the world in the next fifty years;
 - b. Problems facing Japan in the 1990s;
 - c. Trends in international relations;
 - d. Revitalization of the world economy and methods for maintaining an economic system;
 - e. Economic policy in the new industrial society;
 - f. The role of government and necessary system reforms;
 - g. New developments in science and technology, and policy measures to cope with them;
 - h. Changes in large cities and related policy issues;
 - i. Problems of large cities and related policy issues; and
 - j. Revitalizing regional communities.

Canada

Confronting Globalization and Governance Challenges: Canadian Think Tanks and the Asia-Pacific Region

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Introduction

It is now hard to pick up an edition of a Canadian newspaper without encountering at least one article that mentions globalization. Globalization has become a euphemism for a preponderance of outside forces that are little understood and for the economic uncertainty experienced by Canadians. This concept is used increasingly to understand domestic developments whether they be environmental problems or difficulties within particular industrial sectors. Indeed, despite the broad sweep of forces implied by globalization, it is on a sectoral or local basis that Canadians—as individual citizens or in association with government agencies, business, or research organizations—have started to comprehend and then deal with the domestic transformations engendered by it.

Canadian policy-makers, of course, do not have the luxury of coming to terms with globalization on such a selective basis. Governments, as nodes of information and interaction spanning the range of sectors and policies, must contend with the full implications of globalization. Elected leaders and appointed officials alike know that lurking behind the equivocal understandings of globalization is a very real challenge for Canada, one that threatens our very ability to maintain economic wealth and deal with our domestic social needs. Not only must federal and provincial governments contend with the visible challenges and forces gathering around the world, they must also wrestle with their less visible and easily understood manifestations. Indeed, when governments feel hapless in the face of thorny domestic problems, they now wonder if they are grappling with global forces and trends which outstrip their own policy-making capacities.

One common premise about governance to emerge during the 1980s was that government cannot single-handedly be expected to respond to such challenges. It is now

widely accepted inside and outside government that policy-makers need the resources and expertise of larger policy communities to deal with current and emerging policy challenges. These communities include the multitude of business, labour and consulting organizations which have expertise and financial resources that can be brought to bear on these problems. Also part of these policy communities are university and non-profit think tanks. Although think tanks are not unique in their policy orientation, their purported independence and flexibility put them in an ideal position to provide some of the interdisciplinary perspectives and long-term thinking that is necessary to shed light on global challenges. However, even though think tanks were established with much fanfare and promise in Canada, little is known about their contributions to date and whether or not they have improved the ability of governments to govern in the face of problems like globalization.

This paper attempts to provide a preliminary assessment by examining the activities of Canadian think tanks on Asia-Pacific trade and relations. As this paper will show, there are many global challenges, but this particular focus was chosen because it ought to be of interest to most readers of this volume. The think tanks whose activities are reviewed include the Joint Centre for Asia Pacific Studies, the Institute for Research on Public Policy, the Conference Board of Canada and the Asia Pacific Foundation. Although this review is by no means exhaustive, the sample is reasonably representative of the kind and range of activities currently undertaken by non-profit and university think tanks in Canada.

Several findings emerge from the case study. First, it is only recently that think tanks in Canada have taken an interest in the Asia-Pacific region. This was largely due to the active support and encouragement of foundations, government agencies and business councils. Second, to the extent that think tanks reviewed in this study even explore the implications of globalization, it was done, at best, on a sectoral basis, and not on a grander scale. Third, if think tanks have any interest in the issue of governance, it is typically in the governance problems of other nations and not their own. Fourth, even though think tanks do house experts and have a key role in grooming new talent, they do not loom large as centres of expertise and producers of alternative visions for new public policies. Fifth, it is arguable that a tight funding environment and reliance on contract income has limited the kinds of activities that think tanks can undertake, thus leading to the results noted above.

The paper begins with an overview of Canada's many globalization challenges. It then considers the basic needs of government if it is to act effectively, and suggests the special roles which think tanks might play in this regard. It turns next to the case study, beginning with a quick overview of think tanks with Asia-Pacific interests, and then moves on to provide a more detailed review of the activities of four selected think tanks. The paper concludes with reflections on their performance, their relationships with other members of Canada's Asia-Pacific policy community, and their potential for addressing the problems of globalization.

Canada's Globalization Challenges

As a phenomenon, globalization manifests itself in a variety of ways. Sometimes it is difficult to delineate between the external source of pressure and how it is revealed as a domestic policy concern. In this brief survey of globalization challenges below, both are presented as a package. Even though there are clear areas of overlap, the survey starts with economic challenges (trade, taxation, financial deregulation, investment), shifts towards challenges that have previously been considered the domain of social policy (environment, immigration, development), and then introduces the Asia-Pacific challenge.

Trade challenges

Canada is a trading nation, with over 30 percent of its national income derived from trade. With the exception of the debate over the Meech Lake Accord, Canada's most wrenching policy debate in recent years was over the negotiation and ratification of a Free Trade Agreement (FTA) with the United States. In large measure, the debate over the FTA was about whether it would increase or decrease Canada's autonomy and opportunity in the North American context. This issue is close to the hearts of Canadians, who have always been wary of its much larger neighbour to the south. Though mentioned frequently by free-trade proponents during the debate, but never managing to supersede the increasingly shrill exchange over Canada's political and economic autonomy, was the question of how the FTA would help position Canada and the United States in the global context. It was clear that U.S. supporters of the FTA viewed it less as an extraordinary economic opportunity per se and more as an important bargaining chip or source of moral authority for a higher-stake game—the next round of the GATT negotiations. The FTA can also be viewed as a strategy designed to better position North American markets to compete with the emerging regime of the European Common Market and to deal with increasing economic competition from the Asia-Pacific region. The Canadian government also has adopted a broader orientation with its \$94 million "Going Global" strategy, announced in Singapore in late 1989. The strategy casts the FTA as the equivalent to two other regional trading initiatives, Europe 1992 and Pacific 2000, and depicts these trade initiatives as a three-pronged response to a broader challenge.

Financial deregulation

Technological change and the emergence of global markets has had a profound impact on Canada's financial sector. Before the 1980s, it was possible to characterize this sector as consisting of four "pillars": banks, trust companies, insurance companies and investment dealers. Each had clearly demarcated domains and competence, and were regulated accordingly. With increasing creativity in the design of financial instruments, expanding

market opportunities created by new information technologies, and increased domestic and international competition, the lines of distinction between the business activities of the four pillars has been blurred. Besides granting increased access to foreign banks to Canada's domestic markets in the early 1980s, the regulatory regime has not kept pace with change despite promises by successive governments to develop a new regulatory framework.¹ This regulatory lag has taken its toll, with more and more observers agreeing with Courchene's depiction of the sector as consisting of "crumbling pillars."² Major Canadian banks, for example, no longer retain their international pre-eminence. Although labelled by affected interests as yet another example of Ottawa fiddling while Rome burns, one important reason for the delay has been the federal government's reluctance to move forward with a new regime without consensus among competing interests and regulators at the provincial level. It now appears that the global competition felt by the financial sector is so intense that the various interests are now seriously searching for a compromise and consensus position to deliver to the federal government, and thus liberate their institutions to compete in world markets. Thus, what appears to many Canadians as squabbling among key business associations is a response to more fundamental forces.

Tax reform

Although Canada has yet to experience riots over tax policy like those recently witnessed in Britain, there has been considerable controversy over the tax reform initiatives of the Mulroney government, particularly to the value-added tax called the Goods and Services Tax (GST). The unpopular GST is the second part of a two-stage approach to tax reform. The first part involved reducing the number of personal income tax brackets and lowering marginal tax rates, as well as a more general effort to substitute credits for deductions. Parallel efforts were made to broaden the corporate tax base and lower marginal rates.³ The controversy over the GST has taken on much of the flavour of the debate over free trade. It has tended to centre more on the domestic policy agenda of the Conservatives, with the government having to fend off charges of favouritism to corporations and higher income individuals, and not on the fact that tax reform was undertaken to make Canada's tax structure "competitive" with that of the United States and other nations. Although there was undoubtedly a domestic logic to how the Conservatives chose to rationalize the tax system, it remains that no government can afford to undertake such changes without considering their implications for foreign investment and capital flows.

Attracting Foreign Investment

Another challenge which confronts the Canadian government is to attract foreign investment and to ensure that it works to the advantage of the Canadian economy. Deciding how to handle foreign investment has always been difficult for policy-makers,

particularly since Canadian citizens have been alarmed about U.S. domination of key sectors of the economy. To respond to these concerns the Trudeau government established, in 1976, the Foreign Investment Review Agency (FIRA) to screen foreign investment to determine if national objectives would be compromised by foreign acquisitions of domestic corporations and to ensure that the new investment would bring net economic benefit to Canada. However, as the years went by, there were increasing objections about the review process and, particularly in combination with the 1980 National Energy Program (NEP), the signals being sent to other nations about Canadian attitudes towards trade and investment.⁴ Following the election of the Mulroney Conservatives to power in 1984, the name of the agency was changed to Investment Canada and it received a very different mandate: to encourage foreign investment! Obviously, the new government believed that given the changes in the international economy, Canada could no longer afford to turn away investment in an increasingly competitive global market and, therefore, it had to provide a more hospitable climate for investors. The government is now also using the Immigration Act to give preference to individuals from other nations who want to invest substantial sums of money into the economy. Assumptions about foreign investment are also being challenged by globalization. Previously, Canadian citizens felt threatened by foreign investment because they were worried about the machinations of Americans; now with increased investment from Hong Kong and Japan, Canadians are being forced to look at foreign investment in a different way.

Environment

Not long ago, discussions about "the environment" in Canada were restricted to either local issues, such as toxic waste, sewage treatment, and water supplies, or negotiating with the United States on a host of bilateral problems such as cleaning up the Great Lakes, reducing the factory emissions that cause acid-rain, and mitigating the externalities created by dam projects. The latter discussions brought out the fact that responsibility for the environment rested on both sides of the border, but the concerns expressed and acted upon were still regional because they were driven by the fact of contiguous boundaries. The perception that environment issues are simply local and regional problems has changed—we are now informed that the actions or inactions of individual nations may have global implications and that failure to address these concerns may have long-term economic implications. One has only to consider the recent debates over ocean dumping, over-fishing, ozone depletion and air quality. As a nation that takes its international reputation seriously, Canada is having to come to terms with its ranking as the world's highest energy consumer and considerable propensity for producing waste. Canada's role in the Brundtland Commission and its signing of the Montreal Protocol reveals the resolve that the government has to begin dealing with the problem, although it has had less success designing a comprehensive domestic environmental strategy.⁵ It is ironic that Canadians needed to be confronted by the global challenge as a first step towards being more reflective about the nature of their own domestic contribution to the problem.

Immigration

Viewed traditionally as an issue that belongs squarely in the domain of domestic policy-makers, immigration policy has been calibrated not only to meeting the employment and demographic needs, but also to reunite family members of Canadian citizens. To the extent that there is controversy over immigration, the focus of attention has been inward. One by-product of recent patterns in immigration are outbreaks of racism. Since the profile of immigrants has shifted from being largely white Europeans to individuals from the rest of the world, many Canadian communities are engaged in a process of recognizing and adjusting to this changing ethnic composition in their populations. However, this parochial view of immigration is rapidly being reconsidered. The so-called "rational" domestic needs are increasingly challenged and weighed against the legitimate needs of those living elsewhere in the world. The Canadian government has been bombarded with requests for resettling by individuals and families seeking relief from the conditions encountered in other nations: poverty and lack of economic opportunity; environmental degradation; and political, ethnic and religious oppression. Moreover, a key element of Canada's strategy to attract foreign investment is to encourage foreigners with investment capital to relocate to Canada on the grounds of equity. When viewed from this perspective, then, it is reasonable to argue that the ongoing domestic saga of a troubled immigration screening system groaning under the weight of numbers and legal challenges is, in fact, a manifestation of global pressures.

Development Assistance

Some readers may be surprised that development assistance is listed here as a new global challenge for Canada, for after all, the problems of underdeveloped nations have always been with us. Although underdevelopment in other nations may not be a threat, it does present a wealthy nation like Canada with an undiminishing responsibility and therefore a challenge to meet. What has changed dramatically in Canada is the deficit of the federal government which, in turn, means that agencies and individuals supporting development assistance have been fighting simply to retain their share of the overall expenditure pie. Although Canada has made an international commitment to channel 0.7 percent of its budget towards international aid, it has yet to even come close to this goal. The 1989 development budget incurred "one-time only" cuts and there was a considerable struggle to protect development assistance from further cutbacks in the recent 1990 budget. Compounding the situation are new demands for assistance from the nations of Eastern Europe. There have been attempts to be creative with limited resources, for example, by linking development aid with trade policy. The future challenge for Canada will be to maintain consistency and credibility in this area of foreign policy.

The Asia-Pacific Region

It would be tempting to classify our "case study challenge" as a subset of the broader trade challenges that we noted above. And, most Canadians, when contemplating the Asia-Pacific region, are almost certain to think of fierce economic competition and barriers to trade. But the challenges emanating from the region cut across many of the other categories as well. Concern about foreign investment and the organization of regional institutions has grown in reaction to the new economic clout of the East and Southeast Asian nations and Japan. Their sustained economic success has caused some observers to call for scrutiny of environmental records and work conditions for labour. Many Canadians have evinced concern about the pace of immigration from the region and its link to substantial investment. The underlying challenge of this region will again be one of maintaining consistency and credibility: policy-makers must protect legitimate Canadian interests, encourage business and labour to respond to increased competition, and pay full respect to other values such as human rights and sustainable development.

Think Tanks and Governance Challenges of Globalization

Globalization presents many challenges for Canadian policy-makers. However, simply identifying policy challenges is one matter; governing in the face of them quite another. While it is unrealistic to expect that think tanks will develop policy for governments, it is reasonable to believe that they will, in some way, feed into that process. Before delving into the case study, this paper will consider what inputs are likely to help governments govern more effectively and whether think tanks can supply some of them.

Requisites for Effective Governance

To assess the Canadian government's ability to navigate and govern effectively in the face of different globalization challenges, it is necessary to reflect on what kind of inputs a government must have at its disposal. Here we are less concerned with identifying the particular needs of a department or policy problem, and more with delineating broad categories of inputs to policy making. The inputs include access to expertise, information, strategic thinking and institutional design. These inputs are not mutually exclusive—indeed, the remarks below should indicate that no one kind of input could possibly be sufficient for any government contending with the different manifestations of globalization.

Information

We are now told that we live in an information society, and this development is not unrelated to globalization. For Canadian government and business to compete effectively in global markets, it is necessary to obtain information which identifies problems, challenges and opportunities in an accurate, relevant and timely way. Pertinent information would include data on political and economic developments in assorted foreign nations. Data on these developments would not likely be of much use unless it was related to similar developments within Canada, sector by sector, region by region. Keeping abreast of developments is one matter, but the task of anticipating possible futures so as to lay the groundwork for effective strategic planning is another. This implies that models, extrapolations and forecasts of trends is another important source of information for policy-makers. Finally, lest one think that undue emphasis has been placed on numbers, policy-makers often seek an awareness of the different interests and perspectives on key issues—thus, another pertinent source of information emanates from polls, conferences and other forms of readings on the views of the public's state of mind.

Access to Expertise

If Canadian policy-makers had all the information they needed on global challenges, it might not matter one whit unless they have advisors and experts who can make sense of that information. Obtaining access to expertise is a critical requisite of governance in these circumstances, since merely keeping up with the flow of information, let alone offering policy interpretations, is a substantial task. There are two dimensions to gaining access to expertise. First, policy-makers should know where the relevant expertise within its jurisdiction is located, inside and outside the government. Second, policy-makers have a vested interest in ensuring that there is a satisfactory flow of talent into particular areas of expertise. The identification and cultivation of expertise are distinct and equally essential aspects of governance.

Strategic Thinking

Good information and expertise cannot, in themselves, create appropriate public policy for dealing with globalization. This requires strategic thinking: sifting data for insights; identifying or creating new market opportunities; developing plans and a contingent view of the future; and searching for more creative forms of government intervention and partnerships with the private sector. Strategic thinking does not stop with policy, however. To have a chance of success it must also deal with politics and worry about ways to develop a sufficient consensus or coalition on which to base action.

Institutional Imperatives

A policy or strategy may be nicely designed, but if it cannot possibly be implemented, or if existing institutions do not have the capacity to undertake implementation, then it may

create more problems than it solves. A key concern for policy-makers then, has to do with evaluating the competencies and capacities of existing institutions, whether in the public sector or the private sector, and comparing those qualities against the stress contemplated policies may place on them. If the institutions are found wanting, it must be determined whether relatively minor structural modification is sufficient or if a new institution is needed to reach the intended objectives. Where globalization is concerned, institutional considerations may operate at several levels: the organization of programs, the organization of larger governance structures and, indeed, as Richard Simeon has suggested, the organization of both the constitution and the economy.⁶ This, of course, brings us back to the issue of just who fills those structures and, in turn, the recruitment and training of individuals to take on the organizational challenges.

In the past, if Canada had been threatened by external forces, the federal government would have assumed full responsibility for responding to the challenge—the task of acquiring and organizing the respective inputs necessary for effective governance was largely considered its domain. Today, it is almost inconceivable that the government would undertake a major policy initiative without considerable outside support from the private sector, the non-profit sector and provincial governments. Indeed, many observers feel that the hegemonic status of the federal government has declined, that policy-makers find it increasingly difficult to simply keep pace with the train of events, let alone shape them in some fundamental way. This is not to say, however, that all vestiges of leadership, expertise and organizational capacity have disappeared at the federal level—rather, the emerging view is that the locus of these inputs into policy making has shifted away from the government.

Potential Niches for Canadian Think Tanks

If think tanks were not already in existence, then the kind of policy challenges posed by globalization—and the Asia-Pacific region in particular—surely would have led to their creation. Global problems do not arrive on the doorsteps of governments in neatly wrapped packages, to be disposed of in routine fashion. Rather, to make headway on solving these problems requires multiple perspectives and, if the problems are changing quickly, the capability to quickly mobilize the necessary expertise. Most people envision think tanks as the kind of structure that permits such organization and application of expertise. The promise of this organizational form also extends to the outputs that should be generated by such activity: new ideas, imaginative solutions, daring conclusions and bold visions. Such images and expectations of think tanks, though common and usually implicit in our thinking about these organizations, are obviously grandiose. We cannot help but be disappointed when confronted with the real organizations that are labelled as think tanks, and perhaps we should not be surprised when we learn that they rarely change the perceptions of policy-makers.

Setting aside the myth, however, does not mean that we cannot speculate about what might constitute the roles of think tanks as independent research organizations and where their comparative advantage might be within policy communities. Many

organizations produce various kinds of information—data, research and analysis—and so we might expect that think tanks would do this as well. However, it is that essential quality of independence that leads us to believe that think tanks, whether located at a university or in the non-profit sector, will produce analysis, research and conferences that are more innovative. We would expect that the analysts in think tanks would have more of a policy orientation than disciplinary colleagues in university departments, and would certainly be willing to take more risks when arriving at policy conclusions than their bureaucratic colleagues in government departments. For the same reasons, we would anticipate that the staff of think tanks might have longer time horizons when grappling with problems and searching for solutions or new strategies. Indeed, we might expect to see individuals moving from the government sector and the private sector to think tanks on a temporary basis, to take advantage of the opportunity to do the kind of thinking permitted by this particular institutional environment. When it comes to governance issues, we would expect that think tanks might rise above vested interests inside and outside government, to conduct analyses and propose solutions that are in the interests of the greater public.

To speculate further about the particular niches of think tanks would not be very productive unless there was more information about the particular problems that were being wrestled with by a policy community, the organization and capacity of the policy community itself, and the organization, capacity, and mandate of the think tanks under consideration.⁷ Nevertheless, we should expect that even if they are members of the same policy community, think tanks will specialize in different subject areas and approaches because it will be easier for them to attract funds for projects. Taking this one step further, some think tanks specialize in particular problem areas while others have broader interests. We would also expect that think tanks might be arrayed along the ideological spectrum and, therefore, their niche with regard to educating the public, persuading policy-makers, and even training staff would differ in some subtle and not so subtle ways.

A common question concerns how think tanks in a university setting differ from counterparts in the non-profit sector. Although they may often look similar, it is perhaps best to view university think tanks as organizational solutions to the problems of particular universities, or as institutional ratification of cross-disciplinary interests among professors which already exist. Universities, despite being vast storehouses of talent and expertise, may constrain developing new research directions because they are organized around disciplines and professions, and new research initiatives may not fit into the pigeonholes provided by existing groupings. It is almost inconceivable to do away with disciplines and professions, and much easier, when funding is available, to create new institutional focal points—research centres that not only provide a meeting place or home for students and scholars from different parts of the university, but also provide a nameplate and springboard for tapping into outside funding to support research on contemporary problems. This orientation seems somewhat different than the typical non-profit think tank which tends to be organized to meet a relatively specific mandate or to cater to a particular audience and members. Most academics, with the possible exception of the most policy-oriented researchers, would find the research agendas and regime of related activities such as conference of non-profit think tanks to be overly constraining.

Canadian Think Tanks and the Asia-Pacific Challenge

Twenty years ago, not only would it have been difficult to find a Canadian think tank with strong interests in the Asia-Pacific region, it would have been difficult to find examples of what one would recognize as a policy think tank. That situation has changed dramatically. The 1970s saw a proliferation of think tanks and the 1980s a dramatic increase in interest in the Asia-Pacific. This section begins by providing an overview of these think tanks. In Canada, think tanks with interests in the Asia-Pacific region can be found either in universities or in the non-profit sector. University think tanks will be examined first since they were the sector in which such interest in the Asia-Pacific region was first evinced. The paper then reviews, in greater detail, the activities of four of these university and non-profit think tanks.

An Overview of Think Tanks with Asia-Pacific Concerns

The first university think tank with an exclusive focus on the Asia-Pacific region, the Joint Centre on Modern East Asia, was established in 1974 as a joint venture of the University of Toronto and York University. Its name was later changed to the Joint Centre for Asia Pacific Studies. If a characterization of its research can be made, it seems to emphasize, though not exclusively, the politics and culture of Asia-Pacific nations. It stood alone in this field until the Institute of Asian Research was founded in 1981 at the University of British Columbia. The publications list of the Institute of Asian Research reveals an emphasis on the economies, trade and investment dimensions of the Pacific basin. Some of its funding has come from the Japan Foundation and the Canadian International Development Agency. In 1983, full regional balance was achieved in the university sector when the Environmental Management Development in Indonesia (EMDI) project was initiated at Dalhousie University's School for Resource and Environmental Studies in Nova Scotia. This project, still in progress and undertaken in cooperation with Indonesia's Ministry of State for Population and Environment, has been funded by the Canadian International Development Agency as one of its Country Focus Agreements. And, in 1990, Carleton University in Ottawa established its own Asian Pacific Research Centre. Although this list is not exhaustive, these university-based think tanks have the highest profile in Canada.

Think tanks in the non-profit sector typically have broad interests which go beyond a narrow focus on the Asia-Pacific region. Indeed, it has been only recently that they have developed these interests. For example, the Institute for Research on Public Policy was founded in 1972, and although it has sponsored a significant amount of Asia-Pacific research, it did not launch into this area until the late 1970s and early 1980s. Likewise, even though the Conference Board of Canada—a major economic and management think tank—was overhauled in 1971, it waited until 1983 to establish its International Business Research Centre. The exception is the Asia Pacific Foundation, a think tank established by the Canadian government in 1984. Other generalist think tanks have had only passing interests in the region.

The pages that follow review the Asia-Pacific activities of the Joint Centre for Asia-Pacific Studies, the Institute for Research on Public Policy, the Conference Board of Canada and the Asia Pacific Foundation. The other think tanks mentioned above have made interesting contributions to Asia-Pacific studies, but there is neither time nor space to cover them in any detail. Being selective, however, does not mean that the four think tanks under consideration do not provide us with an interesting range of approaches to policy inquiry on the Asia-Pacific region. Two of the organizations specialize in Asia-Pacific matters, while the other two are generalists which have managed to launch programs of inquiry in this area. One has its research and data-collection done in-house, while the others rely heavily on outsiders. And despite relying on similar funding sources, each think tank caters to somewhat different audiences. This section reviews their activities and points out their similarities and differences with regard to structure, activities, and audiences.

Joint Centre for Asia-Pacific Studies

It was noted earlier in this paper that one way to conceive of university-based think tanks is to view them as organizational solutions to the structural rigidity spawned by disciplines and professional schools. A perfect example is the Joint Centre for Asia-Pacific Studies at the University of Toronto and York University. By the early 1970s the University of Toronto had considerable depth in East Asian studies with a complement of scholars with research interests in the diverse areas of the literature, economics, history and politics of China, Japan and Korea. Although already housed in its own Department of East Asian Studies, both the faculty and courses were essentially locked into a historical view of these nations. With increasing interest in the many current developments in the Asia-Pacific region on the horizon, the need for contemporary research on politics, economics and business was recognized both inside and outside the university.

The opportunity for taking a positive step forward emerged when the Donner Canadian Foundation indicated its interest in supporting projects that examined Canada's role in the broader world. When East Asian specialists at the University of Toronto began to explore this possibility of support, they were soon joined by entrepreneurial academics at York University, who sought to expand their capacity in this area as well. Since the Donner Canadian Foundation was not interested in funding arrangements that would result in the duplication of resources, it was agreed to put forward a joint proposal and the Joint Centre for Modern East Asian Studies was established in 1974. Its objectives were to pool and expand the resources and instruction of both universities, to conduct and disseminate research, and to cultivate better linkages with many other institutions with similar interests. Although the Joint Centre would tap into the faculty resources of both universities, and had the clear intent of expanding those resources on both campuses, it was not actually to be responsible for mounting more courses. Like so many fledgling think tanks, it began with only one full-time staff person.

During the early years of its existence, the Joint Centre relied exclusively on a series of major sequential grants. The first was the original five-year grant from the Donner Canadian Foundation. A second grant was obtained from the Japan Foundation in 1980 to expand the amount of Japanese scholarship, particularly at York University. This was followed in 1983 by a major grant from the Max Bell Foundation that expanded research on Southeast Asian nations and sponsored the Pacific Trade Seminar. This funding strategy, however, was not without its problems. Reliance on single sources of funding meant that it was difficult for the Joint Centre to grow in different directions if new programs did not fit under the terms of the existing grant. Moreover, a secure source of funding—however temporary—made it easy for the Centre to let its guard down when it came to planning and searching for replacement funding. When left to the last year of a previous grant, there would be a frenzied search which, if not immediately successful, led to lean times until the necessary funds were secured.

During the mid-1980s, the Joint Centre became involved in a variety of activities as part of a conscious strategy of diversification to respond to these problems. In 1984, it took responsibility for administering the Ontario-Jiangsu Education Exchange (OJEE) program, a cooperative program sponsored by the Ontario government and the Jiangsu government in China to assist scholars and students undertaking research. In 1986, the Joint Centre was awarded the contract for managing the Ontario Regional China-CIDA Orientation Centre (OROC) for the Canadian International Development Agency. The Centre also received a grant to help the Asia Pacific Foundation pull together a database on organizations and specialists with expertise and interests in the Asia-Pacific region. Another project, one that was also funded by the Donner Canadian Foundation, involved conducting research and holding conferences on aspects of missionary activities in China, Japan and Korea. As a result of these and other activities, it is not surprising that by 1990, the full-time staff at the Centre had expanded to six. To reflect its greater breadth of interest that developed during this time, the Centre's title was adjusted to the Joint Centre in Asia-Pacific Studies (JCAPS).

These more recent developments could be interpreted as a wholesale shift by the Joint Centre from a relatively pure research orientation to a project-based operation. This would mask, however, the fact that associated faculty are still involved in their traditional research and teaching roles. As such, faculty are still directly involved in training the many individuals who will soon assume positions of responsibility in the worlds of government, business and academe. One has only to review the publications list of the Joint Centre to get some sense of the work that has been conducted under its auspices, and this certainly does not reflect the many books and articles published by faculty during the same period.

Institute for Research on Public Policy (IRPP)

Founded in 1972, IRPP stands out not only as Canada's best-endowed think tank, but also as the one that has the broadest research agenda. The Institute normally has five or six

different research programs in progress, which are modified or dropped as circumstances warrant. These programs, driven in large measure by grants from the federal government or private foundations, are often administered out of offices in different cities by a program director and perhaps one or two full-time research staff who obtain and administer the research grants. Most of the research is undertaken by professors at universities and sometimes staff on leave from either government agencies or business corporations. Research projects and conferences are often organized in collaboration with other research institutions such as university research centres.

Despite its constantly evolving program of research, IRPP has had a sustained interest in Asia-Pacific issues. Over time, IRPP has handled its Asia-Pacific activities under three programs: the Technology and Future Studies Program, the International Economics Program and most recently, the Governability Research Program. If one country has been emphasized, it has been Japan. Since IRPP's activities in this area have varied considerably across the three programs, it is useful to organize our discussion into four different clusters: conferences and proceedings; a series of short monographs; and the Asia-Pacific workshop series. We will take up each in turn.

IRPP has sponsored two major conferences related to Asia-Pacific issues. The first was held in 1979 to celebrate 50 years of diplomatic relations with Japan. This was also IRPP's first substantial effort on the Asia-Pacific.⁸ The event was co-sponsored with the University of Toronto-York University Joint Centre on Modern East Asia with funding from the Canada-Japan Trade Council. Eleven papers, produced mainly by Canadian academics (the rest were from the United States), reviewed a variety of topics concerning diplomatic relations, trade, and corporate and business structures in Japan.⁹ The second conference on Canada and International Trade was held in 1984, reflecting the gathering momentum of the International Economics Program and an expanding interest in the Asia-Pacific region. The conference consisted of two concurrent mini-conferences with one focusing on Canada and one on the Pacific rim. Twelve papers were presented on Japan, Southeast Asia, China, and joint ventures undertaken by Canada in the region. The bulk of the proceedings, accompanied by a review of all the papers that were presented, was published in 1985.¹⁰ Even though IRPP provided synopses for both the 1978 and 1984 conferences, no attempt was made to draw on the insights for either a policy statement or commentary—the papers were left to stand on their own.

The second cluster of activity has involved several short monographs, usually undertaken by university professors. In 1980, the Institute published a study by Yoshi Tsurumi, a marketing and international business professor from the City University of New York, on the organization and activities of the large Japanese trading firms.¹¹ (A revised version of this monograph was reprinted in 1984.) In 1983, Roy Matthews, an economist from the Economic Council of Canada, produced a profile of the economies of Hong Kong, Taiwan and South Korea and an assessment of the trade opportunities for Canadian business in each nation.¹² Richard Wright, who taught in McGill University's Faculty of Management, authored a study, released in 1984, on the nature of Japanese investment in Canada and the bases for improving the trading relationship in the future.¹³ In the following year, the Institute published a critique of the newly reorganized trade policy machinery of the federal government by W. Roy Hines, a federal official on leave from the Department of Regional Industrial Expansion.¹⁴ IRPP then

turned to Richard Wright once more, who, with co-author Susan Huggett in a 1987 monograph, examined the ability of Canadian banks and securities firms to penetrate the Japanese market.¹⁵ On average, these monographs were about 125 pages in length.

The third cluster of work is the result of IRPP's creative initiative to establish bilateral and multilateral linkages with other policy-oriented think tanks throughout the Asia-Pacific region. Each project has resulted in the publication of a collection of essays under a common theme. The bilateral projects have involved China and Japan. IRPP cooperated with the staff of the International Trade Research Institute (ITRI) of China's Ministry of Foreign Economic Relations and Trade to produce a collection of articles on China's trade policy posture during the last decade, as well as a profile of its bilateral trading relationships with several nations.¹⁶ In April 1988, representatives from IRPP and Japan's National Institute for Research Advancement (NIRA) presented papers on domestic trends and challenges and the state of the bilateral relationship; and in May 1989 met to compare Canadian and Japanese perspectives on the globalization of markets.¹⁷ The multilateral efforts have been centered in the Asia-Pacific workshop series which bring together representatives from the region to discuss topics of mutual concerns. These symposia have generated two publications to date, one on the changing shape of government and the other on economic policy-making.¹⁸ The third workshop, of course, spawned this volume of papers.

Most recently, IRPP has hit on novel ways to expand its presence in Asia-Pacific policy networks. First, the Institute agreed to assist in the organization of the Pacific Trade Policy Forum of the Pacific Economic Cooperation Conference (PECC) which met in Vancouver during late June 1989 and to publish the proceedings from that meeting.¹⁹ Second, the Institute arranged to have its own conference "Canada, the Pacific, and the Uruguay Round" take place immediately after the PECC meetings. Thus, many of the business leaders, government representatives and academics could explore the implications and challenges of regional initiatives for Canada. The proceedings of IRPP's conference was published in a companion volume.²⁰

Conference Board of Canada

For a variety of reasons, the Conference Board of Canada provides an alternative model for the organization of think tank activities in Canada. First, the Conference Board has always conducted all of its research, analytic and data-collection activity in-house. Given the breadth of its programs, ranging from economic forecasting, to management research, to an extensive range of conference activities, it is not surprising that it has roughly 130 staff. Second, the Conference Board generates much of its own data by conducting surveys of members and other organizations, and by gaining access to other kinds of data sets and mining them for alternative purposes. Third, although the Conference Board aims to produce timely and relevant research, it has avoided taking policy positions or making policy prescriptions on the issues it examines. However, although the Conference

Board offered a considerable range of research programs and services to members, it was not until the early 1980s that it decided to directly explore international issues.

In 1983 the Conference Board established the International Business Research Centre (IBRC) which, according to its annual reports, was to be "an information centre for the fields of international trade, finance, and management" while its research activities would focus on "the ability of Canadian firms to compete effectively in the international economy." One-third of its seed funding came from agencies connected with the federal government, one-third from private sector organizations and some provincial governments, and the final one-third from the Conference Board itself. That IBRC was even established was considered an accomplishment because this was done as Canada was emerging from the economic recession of the early 1980s. The Conference Board had identified an important niche and this organizational experiment would lead to a broader shift in the research orientation of the entire organization.

The best way to understand the organization of IBRC is think of it as separately funded think tank within the larger organization. Members of the Conference Board have to pay an extra fee in order to become an IBRC member. IBRC currently has close to 50 members from both the private and public sectors, including the federal departments of External Affairs, Finance, Investment Canada, and Consumer and Corporate Affairs, as well as the Canadian International Development Agency. IBRC arranges meetings with its members three times a year, which consist of updates on issues and trends affecting international business, presentations by guest speakers and an opportunity to exchange views. Staff produce quarterly reports on trade and other international developments, conduct surveys of members on specific issues and respond to requests by individual members for information. Currently, the staff complement is five: one full-time director, three researchers and a secretary. Some think tanks in Canada have been launched with a staff no larger than this!

Another responsibility of the IBRC staff was to undertake longer-term research contracts of interest to members with outside organizations. Although the funding for such projects is secured following negotiations over the methodology and object of the project with the pertinent sponsors, the Conference Board retains total control of the research-in-progress and the right to make the findings available to its members and the public. The first major project, which received partial funding from the Canadian government, involved three studies on foreign investment, with particular attention on the view of current and potential foreign investors' perceptions on how the Foreign Investment Review Agency influenced the investment climate.²¹ A second major project, financed by the Department of Finance, was to develop an econometric model and to assess government policy towards export financing. Another project reviewed Canada-U.S. trade relations, while a fourth examined the competitiveness of Canada's corporate tax structure in five different industries: telecommunications, machinery, steel, newsprint and polyethylene. These studies expanded the domestic focus of the Conference Board to embrace a more internationalist stance, but generally this work centered on the trading relationships between Canada and the United States. The first study that moved the Conference Board a step closer to examining the Asia-Pacific region, was a series of case studies of business linkages between Canada and six developing nations—India,

Thailand, Brazil, Peru, Zaire and Ghana—a project jointly sponsored by the Conference Board and the Canadian International Development Agency.²²

These longer-term research studies raised a thorny question for the Conference Board. On the one hand, such studies diverted valuable resources from servicing the day-to-day and month-to-month needs of IBRC members. On the other hand, the fact that a market for similar studies clearly existed, as well as the success of the Conference Board in completing these studies to the satisfaction of clients, suggested that there was room for growth in this direction. The organizational solution to these competing demands was to establish a separate research capacity within the Conference Board called the International Studies and Service Development Group (ISSD) in June 1988. Its research agenda is based on requests from members inside and outside the IBRC orbit and, although ISSD is not obligated to directly service members, one hoped-for benefit is that new information products might be developed to enhance the offerings of IBRC to its current and prospective members. In short, ISSD is a special studies group which obtains its funding by undertaking longer-term research projects rather than from membership fees. It now has one director, five full-time research staff and one secretary.

Like IBRC, the ISSD group has only partial interests in the Asia-Pacific region, but it has still managed at least two major projects in this area. The first explored the nature of Canadian investment in the Association of South East Asian Nations (ASEAN).²³ The project entailed identifying which Canadian corporations had invested in the region based on data from the Canadian and ASEAN governments and then surveying Canadian corporations about their experiences in the region. The end result was good profile of the nature of the Canadian presence and a realistic assessment of their business experiences to date. The project was sponsored by the ASEAN-Canada Business Council of the Canadian Chamber of Commerce. ISSD is in the midst of another major project, sponsored by the Canadian International Development Agency, which explores joint ventures and technology transfer involving Canada and the countries of India, Japan and Pakistan.

The Conference Board has started to address some of the issues presented by globalization and has developed a partial interest in the Asia-Pacific region. An entire division within the Conference Board is now called Management and Global Research. The management side includes the Compensation Research Centre, the Human Resource Centre, and the International Business Research Centre; while the global side embraces the International Studies and Service Research Group, and the Financial Services Research Program (this latter group, which may have also grown out of IBRC in 1988, also endeavours to monitor and assess global trends and their implications for industry in areas like tax reform, free trade and financial services). Although both IBRC and ISSD represent a departure for the Conference Board in terms of substantive focus, its basic organizational approach, which is to serve its members, has not changed.

Asia Pacific Foundation

The Asia Pacific Foundation is the only non-profit think tank that devotes its full attention to the Asia-Pacific region. Established in 1984 by an Act of Parliament, the Asia Pacific Foundation (APF) is supported by the federal government, several provincial governments and private sector corporations. It currently has a staff complement of 12 and budget of over \$2 million. Its main objective is to make Canadian business more competitive in Asia-Pacific markets and it seeks to increase Canadian awareness of the many different cultures, governments and business practices in Asia-Pacific nations. The focus of the Foundation is not only on business, but also on other institutions (universities, schools, ministries of education, the media and cultural organizations) which might have a potential role in educating Canadians in these matters.

Each of the audiences mentioned above have programs and outreach activities tailored to their needs. Exchange programs, as well as cultural and language training, are arranged for promising business leaders. These services are supplemented by a set of handy publications which summarize and update pertinent details about the nations of the region. APF also seeks to expand the resources available in schools and universities to teachers for instruction, curriculum development and special events. Recognizing that both teachers and educational institutions are constrained by broader institutional environments—namely provincial ministries of education—APF also attempts to work with ministries to shape curriculum standards and develop instructional materials that can be widely distributed. APF staff also keep in touch with the editorial staff and journalists who monitor developments in the region, providing them with a list of commentators to contact when important Asia-Pacific stories break. APF also offers fellowships to journalists that will enable them to conduct more indepth research into the region.

Perhaps the most innovative activities that APF has undertaken to date involve the creation and cataloguing of databases pertinent to Asia-Pacific trade. These efforts have involved letting contracts to several other institutions with Asia-Pacific interests. The first project involved creating a database of all individuals and organizations in Canada with expertise or interests in the region. In 1987, APF contracted out to the following institutions the responsibility for developing the databases: the Institute for Asian Research at the University of British Columbia, the International Centre at the University of Calgary, the Joint Centre for Asia-Pacific Studies of York University and the University of Toronto, the Conference Board of Canada, the Centre d'Études of the University of Montreal, and the Atlantic Provinces Economic Council. Over 1400 experts and 400 other organizations were identified. More recently, a third database with over 500 corporations has been developed. The databases are "on-line" and data can be obtained on a user-pay basis. The Pacific Information Exchange (PIE) project is even more ambitious. It pulled together, with the assistance of the Conference Board of Canada, all of the domestic and international databases that could be of use to Canadian business when exploring opportunities in the region. APF first developed the database for use on local area computer networks, but has recently made it available for on-line use.

Aside from achieving the goal of making available databases, one by-product of these efforts was to bring about collaboration among a number of different institutions

which may have not previously crossed organizational paths. Fostering "networks" is also an important goal of APF and this has been done in other ways. In 1988, the APF organized the Pacific Cooperation and Information Technology conference, a meeting of decision-makers from 16 Asia-Pacific nations to discuss their respective and common economic futures. The conference was organized in cooperation with the Atwater Institute and with funding from the governments of Japan and Canada. The Foundation also provided funding for the 1988 NIRA/IRPP Symposium discussed earlier in this paper and has cultivated links with other research and granting concerns sharing similar interests. In 1989, APF initiated the Business Association Network, an effort to introduce promising Asian business leaders to their counterparts in Canada. When these activities are contemplated with those that target educational institutions and the media, it would seem that APF has not exaggerated its commitment to "networking".

Comparing the Asia-Pacific Activities of Canadian Think Tanks

Perhaps the most obvious distinction to be drawn among the four think tanks under consideration is that two specialize in the Asia-Pacific region (the Joint Centre and the Asia Pacific Foundation) while the other two (IRPP and the Conference Board) count this interest as one of many others. However, there is one feature common to all four organizations—one that often surprises most observers with pre-conceived images of think tanks. When it comes to the actual amount of resources devoted to Asia-Pacific studies, particularly staff, they are not very large organizations: the Conference Board has just over 10 full-time staff working on international trade issues, the Joint Centre has six full-time staff, and IRPP has but a handful. Only the Asia Pacific Foundation has what might be considered a significant complement of staff, and even then, it is a relatively small organization. However, this observation should be qualified because in the case of research, both the Joint Centre and IRPP rely heavily on researchers located in university departments to undertake studies and, therefore, the number of staff does not reflect the total range of expertise to which they have access.

Each organization engages in somewhat different activities and has a somewhat different audience. The Joint Centre has continued to emphasize history and politics in its research program and the odd conference or seminar series. In doing so, the Joint Centre has catered largely to an academic audience. On the other hand, the Centre has administered exchange-related programs which meet the needs of particular clients (students, academics and professionals) as well as those of sponsoring governments. Both the Conference Board and the Asia Pacific Foundation are infused more broadly with a client orientation. Both IBRC and ISSD at the Conference Board have focused on providing economic and trade information to members. IBRC has concentrated on supplying information and convocation opportunities for a cluster of members, most from the private sector, but which also includes a number of key government agencies. The Asia Pacific Foundation has programs to establish networks, databases, and educate many different types of Canadians about the culture and traditions of the nations of the Asia-Pacific region, but its overriding objective is to increase competitiveness of Canadian

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Comparing the Asia-Pacific Activities of Canadian Think Tanks

Perhaps the most obvious distinction to be drawn among the four think tanks under consideration is that two specialize in the Asia-Pacific region (the Joint Centre and the Asia Pacific Foundation) while the other two (IRPP and the Conference Board) count this interest as one of many others. However, there is one feature common to all four organizations—one that often surprises most observers with pre-conceived images of think tanks. When it comes to the actual amount of resources devoted to Asia-Pacific studies, particularly staff, they are not very large organizations: the Conference Board has just over 10 full-time staff working on international trade issues, the Joint Centre has six full-time staff, and IRPP has but a handful. Only the Asia Pacific Foundation has what might be considered a significant complement of staff, and even then, it is a relatively small organization. However, this observation should be qualified because in the case of research, both the Joint Centre and IRPP rely heavily on researchers located in university departments to undertake studies and, therefore, the number of staff does not reflect the total range of expertise to which they have access.

Each organization engages in somewhat different activities and has a somewhat different audience. The Joint Centre has continued to emphasize history and politics in its research program and the odd conference or seminar series. In doing so, the Joint Centre has catered largely to an academic audience. On the other hand, the Centre has administered exchange-related programs which meet the needs of particular clients (students, academics and professionals) as well as those of sponsoring governments. Both the Conference Board and the Asia Pacific Foundation are infused more broadly with a client orientation. Both IBRC and ISSD at the Conference Board have focused on providing economic and trade information to members. IBRC has concentrated on supplying information and convocation opportunities for a cluster of members, most from the private sector, but which also includes a number of key government agencies. The Asia Pacific Foundation has programs to establish networks, databases, and educate many different types of Canadians about the culture and traditions of the nations of the Asia-Pacific region, but its overriding objective is to increase competitiveness of Canadian

business in the region. Of the think tanks reviewed here, only IRPP has undertaken a research agenda which has balanced an interest in trade or economic issues against governance and organizational issues both inside and outside Canada. Several IRPP studies, particularly the monographs, have had more of a policy orientation than the work of the other think tanks. IRPP's work has targeted a broad audience of policy-makers, key individuals in the private sector, professors and university students, and the media. It is interesting to note, looking across the think tanks, that their activities and audiences can be characterized as being complementary.

The most striking similarity among all four organizations has been the increase in reliance on project-based funding. Project funding can be of two kinds: contracts to carry out specific activities for sponsoring organizations, or grants for limited research projects which do not cater to particular clients. There seems to have been a decrease in the number of donors willing to make large sustaining grants to think tanks, which leave them substantial manoeuvring room to determine their activities. Although the Joint Centre, IRPP's International Economics Program, and the Asia Pacific Foundation each received significant start-up grants to launch their respective programs, their leaders have eventually all shifted to project-based funding to maintain support of activities pertaining to the Asia-Pacific region. The implications of this shift will be taken up in the next, and final, part of this paper since it concerns what roles think tanks have in the broader policy community.

Canadian Think Tanks: Improving Their Response to Globalization and Governance Challenges

Although the think tanks reviewed in the previous section provide information and expertise on the Asia-Pacific region, it is the latter contributions which stand out. Think tanks are focal points for expertise. Canadian governments and the media rely on think tanks to provide information and commentary on a moment's notice if necessary. An important function of university think tanks, of course, is simply to train the future generations of individuals who will populate business and government organizations. Indeed, one professor with whom I spoke with ran his finger down the page of federal government telephone directory and pointed to student after student that he had taught who now worked for the Canadian International Development Agency. Due to size, the non-profit think tanks have less of a role to play in training, but this role should not be downplayed—they expose generalists and experts in other areas to Asia-Pacific issues as matter of course, and may convert them, at some point, into full-blown experts! The Conference Board may be better positioned because of its relatively large number of professional staff, but generally the small turnover in staff in think tanks do not make them a "breeding ground" for new expertise.

Think tanks are obviously involved in the provision of information. But what qualifies as information? To my mind, the only think tank reviewed in this study that produces new information is the Conference Board with its staple product of forecasts and

surveys, such as the study that aggregated perspectives from government officials concerning the nature of Canadian investment from all parts of the region. Canadian think tanks rarely produce information that is not already available in some quarter. However, think tanks like the Joint Centre and the Asia Pacific Foundation are heavily involved in purveying information about culture through education and exchange programs. While this information is obviously important, and it is hard to conceive of Canada enjoying any success in Asia-Pacific trade without developing such capabilities, it is not clear how such activity helps policy-makers to govern more effectively. Likewise, most of the data and research output from an organization like IRPP can only be characterized as a diffusion of knowledge—most of its monographs discussed earlier cannot be construed as cutting edge academic or policy research, but would probably be part of the preliminary reading list handed to a new recruit to get up to speed on aspects of Asia-Pacific trade. Indeed, there is an important niche for organizations that channel useful information into the public domain, but this kind of activity should not be confused with the production of new data, analysis or research.

The myth of think tanks suggests that their most important inputs for dealing with the trade and governance problems presented by the Asia-Pacific region should be at the strategic and institutional levels. But my review of the work of the four think tanks suggests that there is a surprising lack of policy-oriented work. Although most policy-makers would not say this work is off-base, they would view it as not much more than "short-term history" and certainly not a challenge to their own visions of the how the world works. To the extent that governance issues have been discussed at all by think tanks, the focus has been on the governance problems of other nations and not those of Canada! There is only one study that addressed a domestic governance issue, the monograph undertaken by Hines for IRPP on how the Canadian government had organized itself to handle trade questions, and even this analysis did not directly deal with Asia-Pacific trade (to be fair, one must note the great diversion of resources to the free trade debate during the mid-1980s, but even here it is arguable that institutional implications such as dispute resolution were given short shrift). Many of the studies have set out and documented challenges emanating from the Asia-Pacific region, but they have offered relatively little in the way of solutions or action programs. Is there not more that could be done beyond monitoring regional developments and sponsoring language and exchange programs?

This perspective on the work of Canadian think tanks must be complemented by some discussion of their roles in the broader community. As noted earlier, think tank activities seem largely project-related, with the funding coming largely from assorted government agencies and foundations. Such a shift in funding pattern should not by itself be problematic, but when combined with the observed deficiencies in strategic and institutional analysis, there does seem to be a significant problem. There is nothing intrinsically wrong or improper with project-based funding—indeed, this author has recommended this avenue as a potentially good way for think tanks leaders to expand their funding bases, to develop contextual understanding of policy problems, and to establish better contacts with those who wield power in the policy community. In the end, according to this view, think tanks would produce more perceptive, engaging and effective policy inquiry. The findings of this study suggest that this has not happened in

the case of Asia-Pacific studies. A fair characterization of the role of think tanks is to say that hegemons within the policy community use them as convenient focal points for the distribution of funds and as contractors for selective pieces of research. These findings undermine an important element of the myth that so many of us hold about think tanks: that they seek to shape the way policy-makers and the public think about policy issues and how programs are implemented. With the exception of what are perhaps the most ideological think tanks in Canada, the Fraser Institute and the Canadian Centre for Policy Alternatives, Canadian think tanks do not loom large as visionaries. Nor do Canadian think tanks, with the exception of the Institute for Research on Public Policy, actively address the problems of governance. The tasks of designing new policy and implementation strategies have been left entirely to policy-makers and those that seek to influence them. In this context, then, it is almost useless to talk of the ideology of think tanks because this suggests that they actually produce competing visions of policies—this case study suggests that they are not in the business of producing such visions, let alone competing visions! There are, however, those who would make the valid point that the think tanks highlighted in this study share a common disposition towards the virtues of the market and increased trade.

The preceding comments are written with an air of generality about them, but they are rooted, after all, in a particular case study. To what extent can generalizations be developed from the case of Asia Pacific trade for other globalization challenges and other purely domestic issues? My earlier research on the organization and relevance of Canadian think tanks produced similar findings from case studies on energy policy, pension reform and tax policy process reform. In combination with the findings of this paper, this suggests that such observations are likely to extend to the other global challenges. I would predict that if an analyst encounters a landmark contribution to particular policy issue in Canada, it is not likely to have been sponsored by a think tank—the odds are that the study will have been produced either by a royal commission, a government agency or by an academic who was working independently.

To lament the absence of a quality, virtue or practice in an organization is not enough, to be constructive its absence must be explained and solutions to redress the situation must be offered. One plausible explanation for the lack of policy-oriented work by Canadian think tanks points to their relative youth—they are organizations still in the process of maturing and have yet to develop the institutional confidence necessary to take bold stands on policy. This argument, however, presumes that think tanks already have sufficient resources and suggests that all that is now required is will on the part of their leadership to undertake such projects. The problem is far more complex. If Canadian think tanks had sufficient resources, I am reasonably confident that many would have produced more policy-oriented inquiry. However, they have been generally underfunded and undersupported by the private sector.

The reasons for this deprivation cannot be discussed in any detail here, but they can be surmised by the directions that I believe should be taken by different actors to enable think tanks to make more profound contributions to policy debates. First, the foundation sector should increase its funding support for think tanks. But one must be realistic and assess the financial capacity of Canadian foundations and their interest in policy inquiry—to the extent that such support is not forthcoming, we are then forced to

consider what ought be the nature of government support to think tanks. It is my view that the federal government's recent attempt to shift away from sustaining grants to project-related grants is inappropriate. Do government officials really believe that individuals, corporations and foundations will provide sustaining grants? Second, the leaders of think tanks must change their orientation towards their own inquiry. They must elevate the importance of undertaking analyses of policy sectors and institutional challenges, actively seeking to work at the cutting edge of policy inquiry. Think tank leaders must become risk-takers and spare no expense to hire the right people. Finally, policy-makers and others must lend greater legitimacy to the efforts of think tanks. Without that support it is difficult to see how think tanks will manage to attract talented individuals and foundation support over the longer term.

Notes

1. See C. Ritchie, "It's time Ottawa delivered on pledge to reform financial sector rules," *Globe and Mail*, March 24, 1990.
2. See the mimeographed versions of R.G. Lipsey, "Global Change and Economic Policy," paper based on a speech given to the Vancouver Institute, November 18, 1989; and T. Courchene, "Crumbling Pillars, Creative Destruction or Cavalier Demolition?" Queen's University, School of Policy Studies.
3. For more details, see Canada, Department of Finance, *The White Paper: Tax Reform 1987*.
4. For an excellent account of U.S. attitudes towards FIRA and the National Energy Program, see S. Clarkson, *Canada and the Reagan Challenge*, (Toronto: Lorimer, 1982); as well as the series of studies on foreign investment undertaken by the Conference Board—*A Fit Place for Investment? Foreign Investors' Perceptions of Canada in a Changing World*, Canadian Study No. 81 (1984); *The Foreign Investment Review Agency: Images and Realities*, Canadian Study No. 84 (1984); and *The Future of Foreign Investment in Canada*, Canadian Study No. 85 (1985).
5. For an overview of both the content and the making of the Brundtland Commission report, see J. MacNeill, "Sustainable Economic Development," in K. Lorne Brownsey (ed.), *Canada-Japan: Policy Issues for the Future*, (Halifax: Institute for Research on Public Policy, 1989).
6. See R. Simeon, "Global Economy/Domestic Society: Competing Challenges to Governance in Canada," in K. Lorne Brownsey (ed.), *Canada-Japan: Policy Issues for the Future*, (Halifax: Institute for Research on Public Policy, 1989); and "Some Issues of Governance in Canada," in John W. Langford and K. Lorne Brownsey (eds.), *The Changing Shape of Government in the Asia-Pacific Region*, (Halifax: Institute for Research on Public Policy, 1989).
7. See, for example, W.D. Coleman and G. Skogstad (eds.), *Policy Communities and Public Policy in Canada: A Structural Approach*, (Mississauga: Copp Clark Pitman, 1990).

8. It should be noted, however, that Yoshi Tsurumi had already been approached by Zavis Zeman to begin work on what would become an IRPP monograph entitled *Sogoshosha* (see footnote 11).
9. Keith W. Hay, (ed.), *Canadian Perspectives on Economic Relations with Japan*, (Montreal: Institute for Research on Public Policy, 1980).
10. *Canada and International Trade*, Volumes I and II, (Montreal: Institute for Research on Public Policy, 1985).
11. Yoshi Tsurumi, *Sogoshosha*, (Halifax: Institute for Research on Public Policy, 1980).
12. Roy Matthews, *Canada and the Little Dragons*, (Halifax: Institute for Research on Public Policy, 1983).
13. Richard W. Wright, *Japanese Business in Canada: The Elusive Alliance*, (Halifax: Institute for Research on Public Policy, 1984).
14. W. Roy Hines, *Trade Policy Making in Canada: Are We Doing it Right?*, (Halifax: Institute for Research on Public Policy, 1985).
15. Richard W. Wright and Susan Huggett, *A Yen for Profit: Canadian Financial Institutions in Japan*, (Halifax: Institute for Research on Public Policy, 1987).
16. Z. Peiji and R.W. Huenemann (eds.), *China's Foreign Trade*, (Halifax: Institute for Research on Public Policy, 1987).
17. See K. Lorne Brownsey (ed.), *Canada-Japan: Policy Issues for the Future*; and K. Lorne Brownsey, (ed.), *Canada-Japan: Views on Globalization*, (Halifax: Institute for Research on Public Policy, 1990).
18. See John W. Langford and K.Lorne Brownsey (eds.), *The Changing Shape of Government . . .*; and John W. Langford and K.Lorne Brownsey (eds.), *Economic Policy-Making in the Asia-Pacific Region*, (Halifax: Institute for Research on Public Policy, 1990). The first volume had papers from Australia, Bangladesh, Canada, Hong Kong, Malaysia, Singapore, South Korea, Thailand, and the United States. The second volume expanded the number of nations to 12 with the new additions being New Zealand, Japan, China, and the Philippines, while Bangladesh and the United States were not included.
19. See H.E. English (ed.), *Pacific Initiatives in Global Trade*, (Halifax: Institute for Research on Public Policy, 1990).
20. See M.G. Smith (ed.), *Canada, the Pacific, and Global Trade*, (Halifax: Institute for Research on Public Policy, 1990).
21. See Conference Board of Canada, *A Fit Place for Investment . . .*; *The Foreign Investment Review Agency . . .*; and *The Future of Foreign Investment in Canada . . .*
22. See *Building Partnerships for Tomorrow: Canadian Business Linkages with the Developing Countries, Volume I: The Asian Experience*, (Ottawa: Conference Board of Canada, 1987); *Building Partnerships for Tomorrow: Canadian Business Linkages with the Developing Countries, Volume II: The Latin American Experience*, (Ottawa: Conference Board of Canada, 1987); *Compendium Report: Building Partnerships for Tomorrow*, (Ottawa: Conference Board of Canada, 1987); and *Building Partnerships for Tomorrow: Canadian Business Linkages with the*

Developing Countries, Volume III: The African Experience, (Ottawa: Conference Board of Canada, 1988).

23. See J. Higgins, D. Balcome, and M. Grant, *Canadian Investment in the Association of South East Asian Nations*, Report 33-88-DF, (Ottawa: Conference Board of Canada, November 1988).



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in the ASIA-PACIFIC REGION

Edited by

John W. Langford and K. Lorne Brownsey

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